



Addis Ababa University College of Business and Economics
Graduate Department of Management

Determinants of the Performance of Social Entrepreneurial Firms in Ethiopia:
The case of Selam children village and Eminence Social entrepreneurship

A thesis Submitted for partial fulfillment of Masters of managing entrepreneurship
and innovation (M.sc) in concentration of social entrepreneurship

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March, 2018

**Addis Ababa University College of Business and Economics Graduate
Department of Management**

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Acronyms

ICT Information and Communication Technology

NGO Non-Governmental Organization(s)

SME Subject Mater Experts

SPSS Statistics Package for Social Science

SE Social entrepreneurs

Abstract

Social entrepreneurship is the practice of responding through transformative, financially sustainable innovations aimed at solving social problems at the nexus of the public, private, and nonprofit sectors.

The performance of social entrepreneurs in Ethiopia is the prim are not deal with their priority of impact in an objective way with their priority of impact an objective way. Besides the subjective way and disaggregated way of explaining these factors, no research is done to the highlight the role of social entrepreneurs to the social and economic development. Hence the objective of this study examines the determinate factors in social entrepreneurs in the case of Selam children village and Eminence Social entrepreneurship.

On this research the regression model is conducted to analyze one dependent and five independent variables to evaluate the performance of two social Entrepreneur firms. Multiple regressions resulted from 256 target populations with the sample of 75 respondents, who are employees of the targeted organizations depicted five significant determinant factors for social entrepreneur's performance: Those are planning, Information communication tools, government promotion strategy, Leadership style & Staff competency according to their contribution towards their impact on performance of social entrepreneur.

These determinants factors collectively explain the performance of social entrepreneurs by 68.4% and the assessment showed that leadership style and staff competency were not significant as compared with other variables. Besides, planning, information communication tools and government promotion strategy were statically significant to study.

This study highlighted which factors need special attention from different stakeholders with regard to their impact on the significant level of the determining factors in the performance of social entrepreneurs.

Key words: - Social entrepreneurs, Performance, Determinate factors, Regression model, Information communication tools, Government promotion strategy, staff competency, leadership style.

Chapter one: Introduction

1.1. Back ground of the study

Social entrepreneurship is a new breed of entrepreneurship that exhibits characteristics of nonprofits, government, and businesses including applying to social problem-solving traditional, private-sector entrepreneurship's focus on innovation, risk-taking, and large-scale transformation. While social entrepreneurship is not a new phenomenon, the field has receiving increasing recognition from journalists, philanthropists, researchers, and policymakers as an important and distinctive part of the nation's social, economic, and political landscape.

The words social entrepreneurship has acquired special significance in the context of economic growth in a rapidly changing socio-economic and socio-cultural climate, particularly in industry, both in developed and developing countries. Historically the term Social entrepreneurs and social entrepreneurship were used in the literature on social change in the 1960 and 1970s (Austin J Stevens,2006 & Dr Pravin V.Bhise ,2013).

The concepts of social entrepreneurship vary from country to country as well as from period to period and the level of economic development thoughts and perceptions. Although there are hundreds of definitions for each, social entrepreneurship and all novelists are agreed on the basic concept that is to change the life of citizens from unjust equilibrium to a new stable equilibrium or in other words to solve the pressing problem of the society. In short social entrepreneurs can be defined as a mission driven individuals who use a set of entrepreneurial behaviors to deliver a social value to less privileged, all through an entrepreneurially oriented entity that is financially independent, self-sufficient or sustainable (Backetal,2012,SamerAbu-Saifan,2012).

The definition shows that they are neither typically charity nor typically business rather they combine aspects of both. Their primary objective is to deliver social value to the beneficiaries of their social mission and their primary revenue sources is commercial, relying on markets instead of donation or grants to sustain themselves and to scale their operations. For these organizations, commercial activities are a means towards social ends (battilana & Lee,2014;Besharov & Smith ,2014 Mair,Mayer & Lutz ,2014)

The business structures may be independently owned operations or maybe a public private partnership. The business format adopted should be flexible and facilitate the achievement of the vision of the business. This requires decisions by the social entrepreneur on how best to combine business efficiencies while achieving social impact and thus achieve a double bottom line result. Therein lies a challenge for the social entrepreneur – how to align their social enterprise format to address and satisfy the changing needs of their stakeholders whilst maintaining a revenue stream to sustain the enterprise (Kim Ater, 2007).

Social entrepreneurs are driven by a vision that what they are doing provides social value and enhances the wellbeing of targeted groups (Certo and Miller, 2008; Shaw and Carter, 2007). In achieving this vision social entrepreneurs can find themselves in an uncomfortable position as they operate in commercial markets but yet consider themselves on the periphery or disagree with some of the of the marketplace. This creates difficulties in deriving business objectives which align with the core social ethos of the business (Shaw and Carter, 2007). Further, as many social entrepreneurs need to have a multi-stakeholder focus the task of setting business objectives becomes more fraught and may require a tradeoff between social and commercial commitments (Doherty et al., 2009). Bornstein (2004) found that the type of objectives the social entrepreneur had for their business reflected the strategic intent of the social entrepreneur and further indicated the broader strategic vision of the business. Besides, their performance is affected by different factors for example in country without infrastructure to support social entrepreneurs ,market are likely to fever those have power ,connection and resouers.as a result many talented potential social entrepreneurs will lake access to capital and expertise they need to launch and grow their business (J.Gregory Dees, 2008). In general Social enterprise are established to address complex problem and for many their outcome are likely uncertain (Paton 2003) this implies that their direct and indirect output affected by multiple variables (Dr Helen Haugh, 2013) .

To sum up Jo Barrkaet (2015) in his researcher under challenge and opportunity for Australian Social enterprise identify planning, staffing, leadership, government support and communication tools & flow was some of the variables that determines the performance of social enterprise. Therefore, this study was targeted to identify major factors that determine the performance of social entrepreneurs and see the magnitude of their contribution in the competitive market. Moreover, it assessed the role of government promotion strategy, leadership style, influence of overall organizational planning, impact of competent staff and finally the existence of updated information flow and tools

1.1.1 Background of the targeted organization

Selam Children's' Village was established by W/ro Tsehay Röscli who has been adoptee herself by David & Marie-Luise Röscli who lived with four of their children. The Röscli's adopted six Ethiopian children including W/ro Tsehay during their stay in Ethiopia. They have returned in February 1975 with their enlarged family. In 1984 the eldest of the adopted W/ro Tsehay visited Ethiopia during her stay she witnessed the severe famine that struck the country moved by the cruel situation she came back to Ethiopia from Switzerland in 1984. In January 16, 1986 she established the village by taking 28 orphans 19 of them boys and 13 girls. The village aimed to support orphans who lost their parents due to natural and man-made calamities. Currently, the village is able to provide more than 100 children's education and training through Selam Technical and Vocational Center while the girls have graduated from Selam Girls Vocational Center. The children's are now supporting themselves and their families. The Village is raising more than 600 children's between the age of 3 month and 18 years old.

On the other hand Eminence PLC (Eminence social entrepreneur) is a private company born and based in Addis Ababa, Ethiopia. The entity was formed in 2010 and is involved in both profit generating and social responsible and socially engaging activities. Under the profit generating wing there are four activities; Event Organizing, Media & Communications, Training & Consultancy, and Tour & Travel (not yet operational). In doing so, eminence social entrepreneur blends innovation and efficiency to prounder the social wing it has through tendering system they are preparing Expo and Exhibition, conference, training, mass wedding. For instance Yeshi Weddings (YeshiGabicha) this former is related to cultural exposure and exchange as well as setting an example for low cost weddings this ceremony is highly concerned on medium and low income society. This mass marriage is conducted to embrace existing social and religious value. yeshigabicha projected is an annual mega events that play a prominent role building the image of Ethiopia.

1.2 Statement of the Problem

Essentially SE are viewed as effective model for addressing social need (Dees 1999, Emerson & Twersky 1996) which provided an alternative to nonprofit, charitable and profit maximizing private enterprise (Ridley et al., 2011) while SE is regarded as more innovative way of addressing social need by developing and creating a solution.

The investment report of China (2015) showed that there were two big problem faced by social entrepreneurs in the competitive market of China. Lack of professional team, management team know how and lack of government promotion on one hand and they had lack of having a clear understanding of concrete future plan and updated communication tools & communication flow on the other hand. Besides, the first international conference on social enterprise held on November 2015 at Sweden also reflected poor marketing linkage, lack of quality production to meet the standard and need for more promotion and incentive from government for social entrepreneurs in different parts of the world.

As per the (Barkemeyer Fgee and Holt 2013), Africa is described as a continent of different Social problems concerning to social entrepreneurs and enterprise which are lack of resource, good governance, poor infrastructures, skilled man power, lack of communication tools and so on which can also be a determinants for the SE to tackle the problem of the society.

In social and commercial entrepreneurship, entrepreneurs are concerned about customers, suppliers, entry barriers, substitutes, rivalry, and the economics of the venture, although perhaps to varying degrees due to differences in the market dynamics between the commercial and social sectors as discussed previously (Oster, 1994, 1995; Porter, 1980, 1985). For a social entrepreneur, a recognized social need, demand, or market failure usually guarantees a more than sufficient market size. Social entrepreneurs believe that their theory of change and accompanying organizational model is able to meet these needs in a superior way. Research suggests voluntary and non-profit organizations face a number of governance challenges. Governance is formally defined as “systems and processes that ensure the overall direction, effectiveness, supervision and accountability of an organization” (Cornforth, 2003). Governance mechanisms can include governing boards, monitoring systems and signaling mechanisms like reporting or codes of conduct.

Social entrepreneurs in Ethiopia who are unable to get more benefit from the sales of their product due to market problem and other related problems. Various research have explored the problem such as lack of awareness among the actors in competitive market , lack of updated communication tools & information flow within and outside the organization ,their leadership style , inadequate capital , production related problem ,lack of professional teams and management know how and having a clear understanding of concrete future plans.

Moreover, the dynamic growth of information technology has open great opportunity for various business sectors to enhance their operation excellence in all aspect. Using updated information technology or tools cases fast accessibility to the market, improve communication tools, saving time & energy .improve and reduce business cost (Fahrad,et al,2011). ICT also plays a central role in logistics to simplify and optimize process to save cost and simplify communication between the different stages of value chain.

When a government implements new policies and regulations so the social enterprises must change the way they operate, such as new reporting standards for enterprises or new regulations for a particular industry (disclosure of microfinance terms or educational enterprises requiring additional certification and approvals), the social enterprise must ensure it has within its own organization and board the means with which to manage these new requirements and hold itself accountable (Cornforth, 2003). Social enterprises can adapt to the change in the environment by institutionalizing new practices and policies that automate compliance with new regulations and policies. It is also a best practice to make sure someone on the board is able to oversee and hold accountable compliance with these new regulations and norms.

From the researches it is assessed that, one can observe the persisting nature of factors as a determining the performance of social entrepreneurs to win market competition. Besides, the qualitative analysis doesn't show objectively which factors are most frequent for performance and the level of their impact.

It is very crucial to fill the gap by identifying the most frequent factors that determine the performance of social entrepreneurs in Ethiopia by analyzing their relative impact or contribution so as to make well planed, prioritize and targeted intervention by respective actors and partners. Moreover, exploring the roles of plan, updated information tools, management style, and government promotion for SE and staff competency in performance contributes to fill the gap of lack of sufficient literatures in Ethiopia.

1.3 Research Questions

Based up on the above statement of the problem, the determinants on the performance of social entrepreneurial firms in Ethiopia, is designed to answer a significant questions through this study.

The research questions are:-

1. What are the major determinant factors that affect the performance of social entrepreneur?
2. What are the major problems and challenges that are faced by the social entrepreneurs at start up stage and ongoing business stage?
3. What are the major government promotion strategies to increase performances of social entrepreneurs in terms of business performance, social performance & environmental performance?

1.4 Objective of the Study

1.4.1. General objective of the study

The general objective of the study is to analyze the determinants on the performance of social entrepreneurial firms in Ethiopia, in the case of Selam Children village and Eminence Social entrepreneurship.

1.4.2 Specific objective of the study

The specific objectives of the study include the following lists.

1. To analyze the major determinant factors of social entrepreneurs according to employees perception.
2. To determine over all planning problems on effective social entrepreneur performance according to employees perception.

1.5. Significance of the Study

This study highlighted the determinate factors and their significance level in the performance of social entrepreneurial firms in Ethiopia and also depicted the role of plan, information flow, leadership style, and government promotion strategy and staff competency to performance of SE in competitive market. As a result, understanding the importance of each factor will be helpful to effectively plan and prioritized intervention by each of social entrepreneurial actors, governments and other partners in their respective area. Hence, it will be beneficiary to all that are involved on enhancing in the transformation of organization by focusing on such determinant factors.

Furthermore, this study can serve as a springboard for other researchers who wants to investigate further to acquire knowledge about the way of conducting a research with identified problems, and contributes detail explanations for studies on the subject matter.

1.6. Scope of the study

This Study aims on identifying the determinant factors on the performance of social entrepreneurial firms in Ethiopia, in the case of Selam Children village and Eminence Social entrepreneurship. Therefore, Internal organizational practices such as management planning, opportunity identification, and infrastructure information exchange system, staff competency and timely delivery of quality product to the market that link the organization with suppliers and beneficiaries are assessed.

However, social entrepreneurship as subject matter is very wide and not limited to these variables only. The rest and the same too are open for further researchers. As a result this research was deal with more of organizational related issues associated to the working process.

1.7. Organization of the Study

In addition to the preliminary page, this research paper is organized under five chapters. The first chapter with its sub topics was introductory parts incorporated the introduction, statement of the problem, research questions, research objectives, research hypotheses, significance of the study, and scope the study. The second chapter discussed the literature review of social entrepreneurs performance,. In chapter three, the research methodology is described with the sampling, data collection, and analysis techniques. Chapter four presents descriptive analysis and regression models results. Finally, Chapter five provides the summary, conclusion and recommendations.

CHAPTER TWO: LITERATURE REVIEW

2.1 Definition of Basic Terms

2.1.1. Social Entrepreneurship

Entrepreneurship is well defined for the first time by French economist Jean- Baptise by his book “the mining of social Entrepreneurship” and he described the entrepreneurs as anyone who “shift economic resources out of an area of lower and in to an area of higher productivity and greater yield” so the main concern of Jean Baptiste was entrepreneurs is change maker or it creates a solution for non-productivity. In 1975 Joseph Schumpeter under his work “capitalist, socialism and democracy” he said entrepreneurs are the one, who identifies a commercial opportunity whether materials, product, service or business and organized a venture to implement what they think. Schumpeter sees the entrepreneur as an agent of change within the larger economy. Peter Drucker, on the other hand, does not see entrepreneurs as necessarily agents of change themselves, but rather as canny and committed exploiters of change. According to Drucker, “the entrepreneur always searches for change, responds to it, and exploits it as an opportunity, “a premise picked up by Israel Kirzner, who identifies “alertness” as the entrepreneur’s most critical ability. Regardless of whether they cast the entrepreneur as a breakthrough innovator or an early exploiter, theorists universally associate entrepreneurship with opportunity. Entrepreneurs are believed to have an exceptional ability to see and seize upon new opportunities, the commitment and drive required to pursue them, and an unflinching willingness to bear the inherent risks. Beside this, entrepreneurs has some special characteristics like inspiration, creativity, direct action, courage, and fortitude.

Different researcher shows the use of social entrepreneurship is in its infancy compared to the wider fields of entrepreneurship however the use of the term social entrepreneurs is growing rapidly and when we compare the definition and characteristics of entrepreneur with those of social entrepreneurship we can easily see that the ultimate goal of an entrepreneurs is to create economic wealth whereas for a social entrepreneurs, the priority is to fulfill their social mission.

Social entrepreneur is a path breaking with a powerful new idea that combine visionary and real world problem solver with strong ethical fiber and total possessed by his or her vision for change where the core characteristics are Mission leader and Persistent. (Bomstein (1998)) Besides, Social entrepreneurs play the role of change agent in the social sector by adopting a mission to

create and sustain social value by giving Recognition and relentlessly pursuing new opportunity to serve that mission through engagement in a process of continue innovation ,adaptation and learning and by acting boldly without being limited by resources currently in hand exhibiting a heightened sense of accountability to the constituencies served for the outcome created, where the core characteristics are Change agent, highly accountable, dedicated, and socially alert. (Dees (1998))

Moreover, Social entrepreneurs are entrepreneur, innovative and transformative individual who are leaders, storytellers, people managers, visionary, opportunity and alliance builder. They recognize a social problem and organize, create and manage a venture to make social change (Lead beater (2008)). Social entrepreneurship encompasses the activates and processes undertaking to discover defined and exploit opportunity in order to enhance social wealth by carting new venture or managing existing organization in an innovation where the core characteristics are Innovator Initiative taker and Opportunity seekers. According to Brinckerhoff (2009) Asocial entrepreneurs is someone who takes reasonable risk on behalf of the people their organization where the core characteristics are Opinion leaders. (Zhare et.al(2008))

To summarize the concepts of different authors social entrepreneurship can be defined as a person who plays the role of change agent in social sector by Adopting a mission to create and sustain social value by recognizing and relentlessly pursuing new opportunity to serve that mission through engaging in a process of continues innovation ,adaptation and learning by acting boldly without being limited by resources currently in hand and Exhibiting a heightened sense of accountability to the constituencies served and for the outcome created.(J.Gergory Dees- 1998).

2.2. Dimensions of social entrepreneurship

The abundance of definitions for social entrepreneurship and diversity of organizations in which the phenomenon exists, social entrepreneurship is an organizational behavior that can happen across various types of organizations and there is need to measure the characteristics of this construct. Dimension is defined as a number of coordinates needed to specify a point on the object (Weisstein, 2016). Social entrepreneurship is an activity that involves balancing of social ambition with income generation activity to ensure financial sustainability. A social enterprise can have a higher or lower focus on social ambition and earned income Previous studies have

argued that this balancing is performed by including a governance component in the organizations (Battilana et al., 2015; Dorado & Shaffer, 2011; Low, 2006; Mair et al., 2015).

Going about in this direction, any social entrepreneurial activity consists of three dimensions of social innovation, earned income and governance. In social innovation, earned income and governance are three dimensions representing an organization practicing social entrepreneurship as presented in Figure below. Although a social entrepreneurial organization can have a higher emphasis on any of the three dimensions, the presence of these three in varying degrees is necessary for the process to thrive. An organization practicing social entrepreneurship can fall anywhere in this.

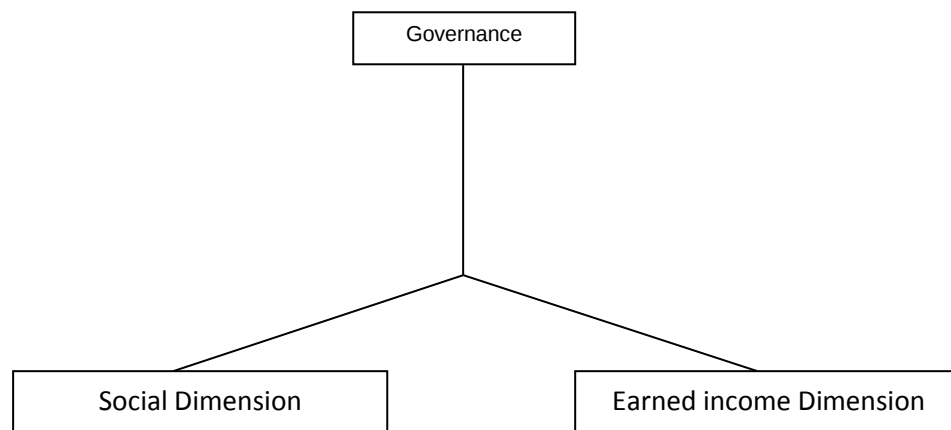


Figure 1: the three dimension (Governance, social& earned income) of social entrepreneurs activity in an organization.

2.2.1. Social dimension

This dimension focuses on the centrality of social value creation in an organization involved in social entrepreneurial activity (Austin et al., 2006; Mair&Martí, 2006b). Dees and Anderson (2006) in their seminal paper presented the two categories of thought in social entrepreneurship. The first school was termed a social innovation which aims at transformation of a sector into more socially and environmentally sustainable. The main aim of organizations strong in this component is to create a solution to a widespread problem which has not been addressed before (Bornstein, 2007; Bornstein & Davis, 2010; Drayton, 2006). The primary goal of founders of such

organizations is for the innovation to be applied on a global scale. Profit generation is not at all a major criterion for them and they are generally happy for others to copy their ideas. The central actors in these organizations are the entrepreneurs themselves and they tend to belong to the social innovation school (Dees & Anderson, 2006; Defourny&Nyssens, 2010; Hoogendoorn et al., 2010). These organizations aim to scale up by the replication of their model by other actors (Austin et al., 2006, p. 8; Lyon & Fernandez, 2012). In other words, they want to create a global systemic change in the way the social issue is addressed (Hockerts, 2006, 2010). Zahra, Gedajlovic, Neubaum, and Shulman (2009) classified social entrepreneurs as social constructionists and social engineers. Social constructionists aim to address broader social problems by creating scalable solutions. They develop organizations to address issues not served by the existing institutions (Kirzner, 1973). Social engineers aim to provide disruptive innovations by addressing a problem that needs new systems across countries (Christensen, Baumann, Ruggles, & Sadtler, 2006; Waddock& Post, 1991). They tend to question the existing institutions, and hence might encounter issues with legitimacy (Schumpeter, 1951).

2.2.2 Earned income dimension

Social entrepreneurship as a phenomenon tends to differentiate itself from the nonprofit and charity activities with the fact that the organizations practicing social entrepreneurship have financial sustainability. The dimension of earned income is strong in organizations which belong to charity and non – profit sector which are reinventing themselves to be financially sustainable. They sell goods and provide services in order to generate an income to support their primary social goal (Dees, Emerson, & Economy, 2001) The organizations which practice organizational social entrepreneurship with a strong earned income dimension are more prevalent in the United States where traditional nonprofits are forced to find new forms of revenue to tackle reduction in donations and number of donors (Emerson, Dees, Letts, & Skloot, 1999; Skloot, 1983). In addition, it is also common in developing countries where non-governmental organizations (NGOs) are looking for new resources to become financially self-sustainable.

2.2.3 Governance dimension

This dimension of organizational social entrepreneurship is essential for balancing. The social dimension and earned income dimension. Defourny and Nyssens (2010) in their paper presenting the EMES school of thought presented the need for the organization to have democracy and autonomy to remain truthful to the social mission. This category also includes organizations in which a group of individuals or sectors cooperate to address a particular social issue (Montgomery, Dacin, & Dacin, 2012). Collective social enterprises are driven centrally by a social mission and are characterized by high democratic participation of the members and organizational autonomy. In many of these organizations, decision-making power is equally distributed irrespective of ownership (Defourny & Nyssens, 2006, 2010). They differ from some organizations strong in social dimension in that, instead of a single entrepreneur, a group is involved in the decision making process regarding the development of the organization (Spear, 2006).

2.4. Performance indicators for an enterprises

While researches on critical success factors for new enterprises or social/environmental enterprises is somewhat limited, there is a growing body of literature on how and what to measure as indicators of successful performance in enterprises, about few of these are specific to enterprise which seeks both social and environmental benefits. That being said, the field of social entrepreneurship or enterprise does have a breath of approaches, methodologies and tools used to measure performance. These indicators are in the areas of business, social, and environmental performance – achieving the triple bottom line for the enterprise (Social Capital of Jamaican Micro entrepreneurs. Tel Aviv International School of Management, Tel Aviv, Israel, September 1998.)

A. Social performance according to different research social performance can be measured in terms of Income provided, Delivery of occupational education and skills training, Fostering stronger community organization, in particular women's and youths' roles & Social development benefits secured. The provision of income or employment to community beneficiaries and contribution to community livelihood and well-being In addition to the provision of employment or sharing of revenues, the enterprise contributes to social development through education and new skills training which help to sustain and diversity economic activities within a community.

Improvements in community health and well-being that result from increased income, new skills and stronger community organization can be signaled by more children attending school; improved access to health care; and so forth. Observing and documenting such changes for annual reflection will help triple bottom line enterprises ensure that the downstream social benefits are in fact being realized by their target beneficiaries,

B. Environmental performance can be measured evaluation of environmental impact of enterprise, Delivery of environmental awareness, training and education, Changes in community choices and an action, Technological innovation occurs. Contribution to conservation and sustainable management of resources in the area. In order to determine environmental benefits, benchmarks need to be set against which environmental changes (either positive or potentially harmful) can be monitored. Observations of change need to be validated to provide assurances that environmental improvements are in fact taking place, and on what scale. Community involvement through public outreach and awareness raising, leading to changes in community choices and actions are additional signals that environmental goals are being achieved.

C. Partnership arrangements are measured roles, responsibilities and expectations established and monitored, Regular communications maintained & Monitoring and managing change in partnership composition. Relationships are built which contribute to enterprise development and growth (funders, supply chain, markets) and lead to the success of the enterprise, achieving multiple goals of economic development, social benefits and environmental conservation.

2.5. The role of government promotion strategy policy in social entrepreneurship

In 2000, the UN Millennium Declaration was adopted at the largest-ever gathering of heads of state. It committed countries –rich and poor– to do all they can to eradicate poverty, promote human dignity and equality, and achieve peace, democracy and environmental sustainability. However, the UNDP Human Development Report 2003 says: But despite these welcome commitments in principle on reducing poverty and advancing other areas of human development,

in practice –as this Report makes very clear– the world is already falling short. More than 50 nations grew poorer over the past decade. Many are seeing life expectancy plummet due to HIV/AIDS and other social problem. Some of the worst performers –often torn by conflict– are seeing school enrolments shrink and access to basic health care fall. And nearly everywhere the environment is deteriorating.”

According to Richy Daneil (2015) lack of government support is a major hindrance for social business development this was seen the government is not providing any kind of assistance for promoting these social cause ventures. The government’s policy and regulation for social entrepreneurs are very complex and strict with no tax incentive or subsidies being provided for social business, the combination of which acts as major impediment to growth of social business (Peredo & McLean (2006))

So to face this challenge government needs to improve his performance by introduce new way of production and support institution that works on social problem we known that social entrepreneurs never take the place of government but social entrepreneurship is uniquely positioned to help government office better addressed societal needs.

Carlos Borgomeo, Vice Chair of the OECD LEED Directing Committee and President of Imprenditorialita Giovanile (IG) S.p.A arguing that:

The Centre for Youth Entrepreneurship Education adds that: “Effective youth entrepreneurship and social entrepreneurship education prepares young people to be responsible, enterprising individuals who become entrepreneurs or entrepreneurial thinkers and contribute to economic development and sustainable communities”

It follows, therefore, that policies to promote social entrepreneurship need not be seen as a departure from the broad policy orientation needed in any case. As the OECD report (2000) observes, programmers’ to train young men and women for self-employment and help them to achieve it can enhance what must be done to attack youth unemployment in general. This is based on the recognition that not all young people can become entrepreneurs in a business sense. Enterprise skills can, therefore, help youth adapt well to other non-entrepreneurial careers.

Moreover, the success of the ‘new economy’ -however defined- is dependent on the promotion of a culture of entrepreneurship. It has been observed that youth have the capacity to understand it and be its pioneers. This is reflected in high youth participation in internet business start-ups

(OECD, 2001; Curtain, 2000). The importance of this promotion should also be seen in the context of improving social attitudes towards entrepreneurship. Collectively, these influences are referred to as an ‘enterprise culture’.

Hence, according to Andrew M. Wolk, Root Cause/ Massachusetts Institute of Technology/ 2004/ the government has employed to support social entrepreneurs through the policy by encouraging social innovation, Creating an enabling environment for social entrepreneurial initiatives, Rewarding initiatives for their performance, Scaling initiatives’ success; and Producing knowledge that enhances social entrepreneurs’ efforts.

2.6. Information (flow) technology in social entrepreneurship

Information technology is a body of tools, with the convergence of communication and computers (Odunfunwa, B. (2002)). Information technology is also described as series of machines, which can execute sequences of instructions. The sequence of instructions is a programmed made particularly flexible and not rigid and can be charged depending on the information being processed (Goldberg (2002)). The common wealth secretariat (1991) explains that the phrase “information technologies” used to encompass a range of new technologies and their applications, including all aspects of the use of computers, micro-electronic devices, and satellite and communication technology.

The role of information technology in entrepreneurship has been studied in some parts of the world. Many factors have been identified as being associated with entrepreneurship. For, example, entrepreneurial individuals combine many personality traits - innovativeness, risk taking, pro activeness in the sense of doing what is necessary to realize their ideas combined with shouldering responsibility for success or failure (Covin and Slavin, 1989; Morris and Sexton, 1996). IT systems affect a firm` s products and services, markets, product cost, and product differentiation. Thus, the success of innovative firms critically depends on the implementation and creative use of IT (Deans and Kane, 1992). In conclusion, entrepreneurship is defined as the process of creating value by combining a unique mix of the aforementioned concepts in order to take advantage of an opportunity (Morris and Sexton, 1996). Pearse J. M. et al. (2007) introduces information technology in line with social entrepreneurship as leverage for the sustainable development. Jonson and Wrycza deposited the highly positive relationship between the use of IT and entrepreneurship in Poland economy.

Any desired social impact is going to be dictated by the way that the technology is applied and used, according to Jacob Vahr Senningsen. Therefore technology can be a tool in creating social impact only if it is used in the right way, as empirical data suggests. For example, developing countries face different problems from developed countries, and technology cannot be adapted in the same way in those regions.

Firstly, technology must answer an existing social problem or meet an unmet need in a particular region, country or community. The technology should not be focused on the profitability of the company that sells or produces it. Also end-users should use the technology in the way it was intended, or in other words, not in an abusive way. It is important for a market to be mature enough to use the technology. For example, Jacob Vahr Senningsen indicates that if a country is in a politically unstable condition, Twitter usage could potentially damage the state if used in abusive way, such as for organizing riots or attacks. This can become a disadvantage if not managed properly.

2.7. Leadership (governors) style Vs Social entrepreneurship

Leadership is defined both as a process involving influencing other people without resorting to constraints and a process of supporting individual and collective efforts undertaken to achieve common goals (Yukl, 2008). In an effective organization, leadership is one of the key elements of management activity and involves such human resources organization that allows the right people to focus on the right tasks and have access to the right information and tools, while at the same time the incentives and control systems applied help them to use the tasks effectively and economically (Muscat and Whitty, 2009). 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. The role of leadership is particularly important in terms of an organization's growth, which becomes apparent while analyzing the initial stages of the operation of social enterprises, which often experience management-related problems (Smith and Woodworth, 2012). These problems result from the fact that the leaders of newly established social enterprises neither have a clear vision of their organization's market growth, nor possess management competencies required on the free market or adequate personality traits, such as charisma. Moreover, the fact that social leaders are driven by their social mission obviously

affects how they perceive and assess opportunities (Mort et al., 2002). As subject literature often automatically labels social entrepreneurs as leaders, it is worth looking at some of the definitions appearing in the literature.

The existence of the relationship between a leadership style and performance or success of an enterprise is confirmed by numerous studies in commercial sector. Leadership style is proven to have a positive effect on employee involvement in the US apparel manufacturing industry (McCann, 2008), increased organizational involvement in the financial sector in China, India and Kenya (Walumbwa and Lawler, 2003), improved levels of innovation in organizations (Lee and Chang, 2006), the organizational effectiveness of business units (Howell et al., 2005), higher revenues (Ensley et al., 2006) and the financial performance of enterprises (Brown and Moshavi, 2002; Elenkov, 2002). Naturally, the question arises whether social enterprises are sufficiently similar to their profit-making counterparts for the relationship between a leadership style and the success of a for-profit enterprise to be generalized so that it can also be applied to organizations operating in the third sector. Leaders working in this sector have to focus both on the internal and external environment; they must plan, motivate, organize, make decisions, delegate, coordinate, report, supervise, manage finance and sometimes raise funds (Kurleto, 2012). Apart from the last activity, all the others correspond with similar activities undertaken by leaders working in the for-profit sector. Since social enterprises also have to reach a certain level of financial stability in order to provide services to the community, there is an expectation for the relationship between a leadership style and the success of an enterprise to emerge as it is in the case of the commercial sector. In the public sector, which bears a considerable resemblance to the social sector, Parry and Proctor-Thomson (2003) observed the impact of leadership on the performance and efficiency of public organizations. Thach and Thompson (2007), on the other hand, analyzed 20 leadership competencies based on the interviews that they conducted with leaders working both in the for-profit and non-profit sectors.

2.8. Research Variables

The study attempts to establish factors that determine SE performance with the aspects of management planning, government promotion policy, Information flow tools, leadership style, Ethics and staff competency are the independent variables while performance of social entrepreneurship is the dependent variable. The research frame work developed based on established facts obtained from theories and findings of some of previous studies. The frame work was developed by the researcher for this study purpose.

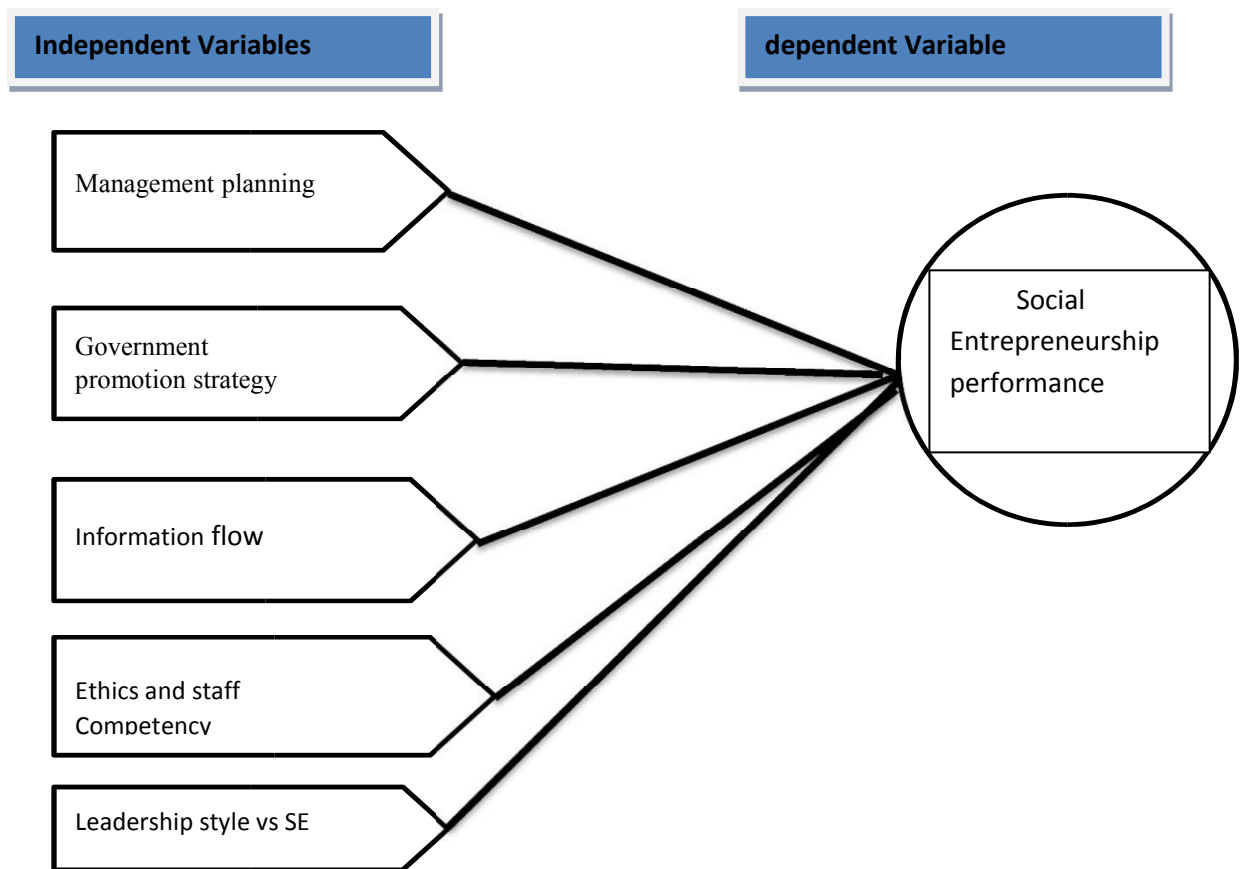


Figure 2: the study frame work (Conceptual frame)

2.9. Research Hypothesis

The research developed the following hypothesis:

H1: planning has positive relationship with social enterprise performance

H2: government promotion strategy has positive relationship with social enterprise success

H3: Information Technology infrastructure has positive relationship with social enterprises performance.

H4: Staff competency & ethics has positive relationship with social enterprises performance

H5: Leadership (governor) style has positive relationship with social enterprises performance

Chapter Three: Research Methodology

This chapter presents description of Research design, types and sources of data, sampling design, and study population, method of data collection and analysis, pilot test, Study model and variables and operational definitions of the variables of the study.

3.1 Research Design

This Research work begins by asking exploratory question to understand in depth the Determinants of the Performance of Social Entrepreneurial Firms in Ethiopia, in addition it aimed to Provide a valid representation of the factors and variables that pertain to the research question through Describing, interpreting and clarifying the phenomena either through descriptions, classifications or measuring relationships by using the design characteristics of the independent variables (government promotion strategy, leadership style, information flow, management planning, and staff competency) and dependent variable are described, Which are the main characteristics of Descriptive and inferential type of research. Therefore this research is designed as a descriptive type of research.(Kothari, 2004)

3.1.1 Types and source of Data

The data's are collected from primary sources. Primary data was gathered through questionnaires from employees of the target organizations. The respondents include managers, coordinators, officers, accountants, Engineers, specialists and cashier/store keepers on the targeted organizations head Office at Addis Ababa Ethiopia.

3.1.2 Population and Sample Size Determination

In order to determine the population of size for this study it is important to know the total number of staffs in both organizations (Selam Children village and Eminence social enterpreuners) both have a total of 256 staff. Since, there is homogeneity in their organizational structure samples are taken from this total population. Accordingly, the following formula used (Krejcie& Morgan, 1970) to determine sample size. Check it there is an image

$$S = \frac{(1.96)^2 * N * (1-P)}{d^2 (N-1) + (x)^2 P (1-P)}$$

Where:

S = Sample size

X = Z value

N = Population Size

P = Population proportion

d = Degree of accuracy (margin of error)

Hence, N in this research case is 256, X is 1.96, and P is 0.5 and d is 10 % (0.1)

$$\begin{aligned} S &= \frac{(1.96)^2 \times 256 \times (1-0.5)}{(0.1)^2 (256-1) + (1.96)^2 \times 0.5 (1-0.5)} \\ &= 75 \end{aligned}$$

Out of total 256 employees 75 employees will be interviewed for this research purpose.

3.1.3 Sampling Technique

The study under goes with a random sampling techniques due to the nature of the population study that is required to get the final manageable sample size in terms of time and cost in addition to the reliability of the study (Kothari, 2004) therefore, from 256 employees of the organizations who are working at the head offices Finally, 75 employees are randomly selected as respondents.

3.1.4 Methods of Data Collection and Data Analysis

3.1.4.1 Method of data collection

The study used standardized questionnaire survey method to collect the data. Both Closed ended and open ended questionnaires were distributed to the respondents. Closed ended questionnaires developed using five point Likert scale ranging from “Strongly Disagree=1” and “Strongly Agree=5”. Moreover, open ended questionnaires developed side by side to enable the respondents to get a room to express their additional responses. The researcher directly contacts the respondents and collect all the questioners.

3.2 Pilot test

In pursuit of enriching the research instrument, questionnaires were first distributed to 10 respondents. As a result, they returned filling the questionnaires along with some suggestions to increase the responses. This helped the researcher to re-check the instruments and finally distributed the questionnaires to all respondents.

3.3 Reliability and Validity

Reliability is the statistical measure of the equivalence, consistency, and stability of the survey instrument. Reliability can be determined by three different ways: test-retest, alternate forms, and internal consistency. This study conducted pilot testing as well as applied internal consistency using Cronbach's alpha check to show the dependability of the instrument to test what it was designed to test. As a result, the Cronbach's alpha value of 0.789 (79% reliability) was obtained, which was greater than the acceptable range of 0.6 and above.

Validity refers to the degree to which a survey instrument actually measures what it was intended to measure. Among the four types of validity such as content, face, criterion, and construct, this study has confirmed the face and content validity at the initial phase of the survey instrument design. As a result of face validity, the questionnaire prepared in English versions considering the academic level of the target population that increases its understandability. Moreover, through content validity conducted, the initial instrument was reorganized and modified by major variables based on the feedbacks of pilot testing participants.

3.4 Ethical Considerations

To encourage a respondent's honest response, a guarantee was provided to respondents that no need to write their name. Moreover, in the cover letter of the survey instrument, ethical consideration of confidentiality and anonymity issues were addressed, and sole purpose of the data collection was clearly stated.

3.5 Methods of Analyzing and Interpreting the Collected Data

The immediate step after data collection is processing and analysis in line with the preplanned research study (Kothari, 2004) the rationale behind the step includes filling data, reliability, and addressing research question (Sekaram, 2003) following the collection, the data were checked for reliability and clarification. Information collected from the respondents entered to Statistical Package for Social Sciences (SPSS) for analysis of the data and findings. The data were analyzed using quantitative techniques, whereby the findings were presented in the form of more frequency distribution tables.

In order to see the consistency of the questionnaires used for this study purpose, reliability analysis was carried out based on Cronbach's Alpha (α). According to the Cronbach's (1951), reliability value which is greater 0.6 is acceptable.

To establish the relationship between the independent variables (government promotion strategy, leadership style, information flow, management planning, and staff competency) and the dependent variable (Social entrepreneur's performance) of the study, an inferential analysis which involved multiple regression, a coefficient of determination, and correlations analysis were involved.

Multiple regression analysis was carried out so as to determine the influence of internal social entrepreneur practices on the social entrepreneur's performance of the target organization. Regression analysis was made to learn more about the relationship between several independent variables and a dependent variable. Accordingly, tests such as F-test, and t-test were made. F-distribution was used to compare the variance of the independent variables and t- test to judge difference between the means of the sample. In pursuit of determining the relationship between the variables, the study used the Spearman coefficient of correlation for the study purpose. This method is used in most cases to determine the relationship between ordinal data (Kothari, 2004)

3.6 Model Specification and Description of the Study Variables

3.6.1 Model Specification

The following model was formulated for this research in order to test the research Hypothesis set earlier.

$SP = \beta_0 + \beta_1P + \beta_2G + \beta_3I + \beta_4L + \beta_5C + \alpha$, while

P= Social entrepreneurs Performance (Dépendent Variable)

B1 to β_5 = Regression Coefficients

P= management (overall) planning

G= Government promotion strategy

I= Information flow

L= Leader ship style

C= Competency of staff

3.6.2 Study Variables

3.6.2.1 Dependent variable

The dependent variable for this study is social entrepreneur performance. In the study social entrepreneur performance is measured in terms of business performance, social performance and environmental performance perspective. Social performance is measured by its contribution toward improving quality, reducing cost and also improving delivery time (Shukla et. al, 2011)

3.6.2.2. Independent variables

The study focused on five independent variables namely government promotion strategy, leadership style, information flow, strategic and annual planning, and staff competency Brief descriptions of the variables are as follows.

For this study, strategic and annual planning seen as process of determining what to do, time, source fund ,and follow up mechanism for organization practices. Further, the processes was seen generally measured as need identification form beneficiaries, timely planning, market analysis and adherence to planning.

Government promotion strategy which is the other independent variable of the study focused on identifying the government promotion strategy to support social entrepreneurs for maintaining quality products and creating marketing link for. Hence, the basic concepts measured under this variable are business performance, social performance, and environmental performance of social entrepreneurs.

The other independent variable, information flow, focused on investigating respondents' perception on information flow for the purpose of overall activity's in the target organization.

Leadership style was the independent variable investigated in the study. In this regard perception of respondents on their leaders, coaching and teaching ability of their leader, focus on the business, and understanding of the staff on cost related to failure and accepting his own and the staff mistakes.

Finally, staff competency was investigated in terms of (competent to the market) financial relationship, understanding of information system and willingness to update & capacity building on the subject matter relation to the variable on dependent variable.

3.6.2.3 Measuring Scale of the study variables

In order to analyze the findings of the collected data, it is important to know the background of the respondents, therefore it was included in the questionnaire in a reasonable way which are listed as follows.

3.6.2.3.1 Education Status

The respondents were asked to indicate their educational background for this study purpose. The next table shows operational definition and measuring scale of education status.

Table 1 Operational definition and measuring scale of educational status

S/no	Variable	Operational definition	Measuring Scale
1	Education status	Diploma, Degree, Second degree and Above	Ordinal

Source: Variables used in the study, 2017

3.6.2.3.2 Work Experience

The respondents were also asked to identify their work experience in the target organization. Accordingly, operational definition and measuring scale work experience listed in the table below.

Table 2 Operational definition and Measuring Scale for respondents work experience

S/no	Variable	Operational definition	Measuring Scale
1	Work experience	1 to 5 years including 5 5 to 10 years including 10 10-15 years including 15 Above 5 years	Ordinal

Source: Variables used in the study, 2017

3.6.2.3.3 Social Entrepreneur Performance (SE)

The respondents were asked to indicate SE performance of their organizations in terms of Business, social and environmental performance perspective. Operational definition and Measuring Scale used are listed in the next table.

Table 3: Operational definition and Measuring scale for social entrepreneurs performance

Variable	Operational	Measuring Scale
Social entrepreneurs performance	• Business performance • Social performance • Environmental performance	Ordinal(Likert Scale(1= strongly disagree, 4 strongly agree)),and Dichotomy(Yes/No), open ended questionnaires

Source: Variables used in the study, 2017

Summary of major questionnaires addressed are as listed below:-

- Regular communication maintained among partners is better contributing to have common understanding with partners and community in case of my organization.
- Our established marketing link is better contributing to purchase materials for low reasonable cost
- Our financial viabilities is better contributing to on time delivery of product and service to beneficiaries
- Our management environmental protections performance in case of my organization is well performing to meet demand of the beneficiaries, and the organization
- As staff, are you satisfied with the current management performance regarding getting business, social, environmental advantage and so on?

3.6.2.3.4 Strategic and Annual Planning

Respondents were asked to indicate level of strategic and annual planning based questionnaires presented. Operational definition and measuring scale of the variable briefly described as follow in the table below.

Table 4: Operational definition and Measuring scale for strategic and annual (management planning)

S/No	Variable	Operational definition	Measuring Scale
1	Strategic and annual planning	• Need identification • Timely planning, • Market Analysis, • Adherence to plan • Timely delivery	Ordinal(Likert Scale(1= strongly disagree, 5 strongly agree)),and Dichotomy(Yes/No), open ended questionnaires

Source: Variables used in the study, 2017

Summary of major questionnaires addressed are as listed below:-

- In my organization strategic and annual planning prepared based on need identified from the beneficiaries.

- Strategic and annual planning prepared timely in most cases.
- In my organization annual and strategic planning process incorporates precondition such as market analysis and acted accordingly.
- Most of the times activities are conducted in adherence to the plan
- Annual and strategic planning determines SE performance in terms of business, social and environment performance.
- Is current our organization strategic and annual planning in practice contributing well to department management to the extent needed?

3.6.2.3.5 Government promotion strategy of social entrepreneurs

Respondents were asked to indicate level of government promotion practice based on questionnaires presented.

Operational definition and measuring scale of the variable briefly described as follow.

Table 5: Operational definition and Measuring scale for government promotion practice

S/No	Variable	Operational definition	Measuring Scale
1	Government promotion	• Avail land , • Social innovation ecosystems , • Market link	Ordinal(Likert Scale(1= strongly disagree, 5 strongly agree)),and Dichotomy(Yes/No), open ended questionnaires

Source: Variables used in the study, 2017

Major questionnaires presented to the respondents include:

- In your organization , government promotional activities are contributing well to produce quality materials
- In your organization, market linkage activities by government that is being practiced contributing well to acquire materials at low cost.
- Is government promotional activity with major objective of supporting SE to produce quality materials and competent in local market for benefiting community or it jest

creating flat ground for computation without affirmative action for social entrepreneurs that works to solve social problems

- Market linkage activity are having indispensable role to get materials from right suppliers at right time and for cost effectively. Do you think that your organization practices benefited from market linkage that was created by government to seal and buy product and service?

3.6.2.3.6 Information flow

Respondents were asked to indicate level of information flow practice based on questionnaires presented. Operational definition and measuring scale of the variable briefly described as follow.

Table 6: Operational definition and measuring scale of information flow

	Variable	Operational	Measuring Scale
1	Information flow	• Definition of speed communication, • Communication tools	Ordinal(Likert Scale(1= strongly disagree, 5 strongly agree)),and Dichotomy(Yes/No), open ended questionnaires

Source: Variables used in the study, 2017

Major questionnaires presented to the respondents include:

- In your organization information flow support integration of social mission and contributing achievement of the organization goal.
- Your origination existing communication tools are enough and updated to the technology of the day.
- Your organization information flow is fast enough to support all management **staff (board ,managers and supervisor)**
- Do you think that information flow in your organization contributing well to the performance of the organization?

3.6.2.3.7 Leadership style

Operational definition and measuring scale of leadership style used in the study listed as follows.

Table 7: Operational definition and measuring scale for on leadership style

S/N	Variable	Operational definition	Measuring Scale
	Leadership style	• Teaching and coaching • Accepting mistakes • Provide assistance	Ordinal(Likert Scale(1= strongly disagree, 5 strongly agree)),and Dichotomy(Yes/No), open ended questionnaires

Source: Variables used in the study, 2017

Major questionnaires of this variable includes:-

- In your organization most of the time my leaders are focused on delivery of jobs .
- Managers and leaders usually focused on Lead time, attention on irregularity and mistakes then to address beneficiaries on time.
- In my organization leaders are spend time to teaching and coaching towards our stated mission and vision.

3.6.2.3.8 Staff Competency

Respondents were asked to indicate their perception on staff competency in the target organization. For this purpose the questionnaires, which has the following operational definitions and measuring scale, presented to them.

Table 8: Operational definition and measuring scale for staff competency

	Variable	Operational definition	Measuring Scale
	Staff Competency	• Technical competency, • Behavioral competency	Ordinal(Likert Scale(1= strongly disagree, 5 strongly agree)),and Dichotomy(Yes/No), open ended questionnaires

Source: Variables used in the study, 2017

Major questionnaires presented to the respondents include:

- Every staff who engaged in any activity has prior awareness on organizational policy and procedures.
- The organization staffs are behaviorally ethical in executing t activities at every step.
- Any staff are expected to be rollout professionalism and ethical principles what is your observation regarding this idea from your experience in your organization?

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

This chapter contains analysis, finding and discussion of the study. First, descriptive statics of respondents' like educational back ground and work experience presented. Then, the study's finding regarding determinants of the performance of Social Entrepreneurial Firms in Ethiopia, organizational planning , leadership style , information technology , staff competency and government promotion strategy discussed. Further, the chapter contains results of reliability test and regression analysis. Finally, based on results of the finding, hypotheses tests result are presented.

4.1 Response rate

For the purpose of this study, questionnaires were distributed to 75 sampled staffs working in at the targeted organizations. All the 75 respondents filled and sent the information to the researcher. The response rate was 100% which shows the willingness of the respondents to participate on the study.

4.2 Demographic information of the respondents

The study has totally involved 75 respondents and whose demographics information summarized are shown below in table 9

Table 9: demographic information of the respondent

Respondent profile	Parameters	Frequency	percent
Sex	Male	66	87.8
	Female	9	12.2
	Total	75	100
Educational Level	Primary education	0	0
	Diploma	47	62.7
	Degree	25	32.8

Experience	Masters and above	3	4.5
	Total	75	100
	<1 year	1	0.6
	Between 1 and 3 years	27	35.9
	Between 4 & 6 years	22	30.1
	Between 7 & 10 years	10	12.8
	>10 years	15	20.5
Position	Total	75	100
	Owner of the organization(G/Managers)		
	Deputy G/managers	11	16
	Middle managers	13	17.4
	Operational staff	47	61.5
	Administrative personnel	4	5.1
	Total	75	100

Source: Authors' survey data, 2017

From the demographic information given in the table 9 among 75 respondents with respect to gender 88% of the respondent were male which depicted that the production technical expertise was dominated by them. This might be due to the tradition male dominated the technical and hand work that need extra energy, the nature of the work that demand high labor and physical movement requirement. As far as education concerned, the result shows 4.5 %, 32.8 %, and 62.7 % of the respondents are masters, first degree and diploma holders respectively. Majority of the respondents were diploma and first degree holders. The result has implication as the respondents have information on the topic under consideration and even it is expected they have understanding of giving genuine response for reliability scientific studies which is plus for this study.

Regarding respondent experience and position 64 % of the respondent have more than three years' of experience in the business (organization) and 80 % of the them were at operational and middle level managers from these result, one can deduce that most of the respondent well understand the business, staff turnover is relatively stable rather than rich experience at operational and midlevel manger.

4.3 Management (Organizational) planning

The study sought to determine whether the organization prepares strategic and annual plan for every activity. All most all the respondents agreed that the organization prepares and has annual but they don't believe that they there have strategic plan. The next step the study followed under this section was to see their planning from different prospective including origination need identification, timely planning, adherence to plan, and market analysis to set contingencies which are components of the planning which were feet the organization over all target and mission.

4.3.1 Need identification and over all planning

The study wanted to see whether over all planning process practices need identification as important element. Hence, the respondents were asked to respond to questionnaire 'Does your origination need identification to use for over all annual planning?'

Table 10: Response summary on need identification

Response(Yes/No)	Frequency	Percent
Yes	10	19.4
No	65	80.6
Total	75	100.0

Source: Authors' survey data, 2017

From the finding, table 10, 80.6% of respondents indicated that needs are not identified well before the planning while the remaining 19.4% revealed that needs are identified as precondition for the organizational planning. The result implies though majority (19.4%) indicated the organization identifies need for overall planning, still the remaining (80.6%) revealed there is no need identification practice. This in turn implies participation of beneficiaries to identify what is really in demand is poor during planning process. This can lead to the mismatch of beneficiaries' (different department within the organization) need and operation of the organization in turn contributes to poor achievement toward its goals.

4.3.2 Market Analysis and overall planning

This study sought identify whether effective market analysis is carried out by the target organization to use the result as an input for the origination planning. As a result the respondents asked to respond to questionnaire ‘During plan preparation market analysis is considered and acted accordingly.

Table 11: Response summary on market analysis

Response(Yes/No)	Frequency	Percent
Yes	34	44.78
No	41	55.22
Total	75	100.0

Source: Authors’ survey data, 2017

According to this result, table 11, 44.78 % respondents showed, during plan preparation market analysis is considered and acted accordingly, while the remaining 55.22 % expressed that market analysis prior to the organization planning is not practiced regularly in the target organization. From the result the majority (55.22 %) indicated market analysis not practiced regularly though remaining respondents (44.78 %) revealed there is regular market analysis. Whatever it is the result reveals that there gap regarding market analysis which can challenge accurate forecasting market price for any planning.

4.3.3. Timely planning

The study sought to see whether planning of the target organization prepared timely. Hence, the respondent was asked to identify if Selam children village Prepares overall annual plan timely.

Table 12: Response summary on timely planning

Response(Yes/No)	Frequency	Percent
Yes	44	50.75

No	31	49.25
Total	75	100.0

Source: Authors' survey data, 2017

As the result, 50.75% of respondents revealed that annual planning is prepared timely in the target organization, while the remaining 49.25% indicated annual planning is not prepared timely. The fact that the majority of the respondents indicated timely planning implies the organization relatively emphasizes on timely annual planning. This can limit exercise of rush activity (purchases, production not meet quality standard ...) unless in case of emergencies that can be approved through its own separate procedure.

4.3.4 Adherence to the plan.

In pursuit of identifying planning performance in terms of its adherence to the planning, the respondents are asked to indicate if most of the times there is adherence to plan.

Table 13: Response Summary on adherence to planning

Response(Yes/No)	Frequency	Percent
Yes	52	68.66
No	23	31.34
Total	75	100.0

Source: Authors' survey data, 2017

Accordingly, 31.34% of respondents indicated that organizational activities are not executed adherence to the plans as it can be seen from table 17. The remaining 68.66 % respondents revealed that there is no problem regarding adherence to the planning. This implies the organization has overall plan and activities are also carried out in adherence to that plan.

4.4 Government promotion strategy and performance of the origination

All most all the respondents agreed that the government promotion strategy has indispensable role to get achievement in desired goals and innovation of their organization.

The next step the study followed under this section was to see government promotion strategy from different prospective including tax deduction,, through building social innovation ecosystems , through developing partnership with different government office , and avail land and working place which were feet the organization over all target and mission.

Table 14: Response Summary on tax reduction (did you feel that government support social enterprise through tax deduction or relief)

Response(Yes/No)	Frequency	Percent
Yes	36	49.25
No	39	50.75
Total	75	100.0

Source: Authors' survey data, 2017

From the result, 49.25 % of respondents revealed that government has support social enterprise through tax deduction and relief to achieve their social mission.

Though the majority (63.9%) indicated government doesn't build the business environments for social enterprise by deducting tax this show that investing as social entrepreneurs is considering jest like any business origination that makes profit for their own pocket. So this will be one of the bottleneck for most social enterprise to get raw material , others (49.25 %) have their own observation regarding government support through tax , which was according to their response, one achieved at the expense of the other.

Similarly the respondents were asked to respond to question 'Did you think our government builds social innovation ecosystems?'

Table 15: social innovation ecosystems

Response(Yes/No)	Frequency	Percent
Yes	27	35.82
No	48	64.18
Total	75	100.0

Source: Authors' survey data, 2017

64.18% of the respondents revealed that there is no practice of government to build social innovation ecosystems. For social enterprise innovation ecosystem is not optional but mandatory for organizations as it provides basic ground for social enterprise performance in providing solution for social problems that was not adders by commercial entrepreneurs and government. In addition to innovation ecosystems the respondents were asked to respond to question 'Did the government avail land for your production and workshop (showroom)?'

Table 16: avail land for your production and workshop (showroom)

Response(Yes/No)	Frequency	Percent
Yes	23	30.5
No	52	69.5
Total	75	100.0

Source: Authors' survey data, 2017

69.5% of the respondents revealed that government don't avail land for our production and showroom. For any production company land is very critical issue in order to compete in the market and you can image how much difficult for social enterprise, others (30.5 %) have their own observation regarding government support through avail, which was according to their response, they have some support for production but the support is not holistic they may give for production and not allowed for showroom or showroom not production place.

4.5 Information flow for Social entrepreneurs' performance

The study sought to identify the impact of information flow on social entrepreneur's performance of the target organization. Accordingly, all most all the respondents indicated that information flow can determine our organization performance. On the other hand, the respondents are asked further to respond to questionnaire 'Is information flow is fast enough in the target organization regarding day today activity/practices?' Based on this, respondents in general indicated that information flow within the organization is not fast enough. The next question presented to the respondents was 'Is automated information system supported you day today activity?' In this regard all most all the respondents indicated our organization has no automated information system for organization purpose. Further, the respondents were asked 'Are your organization communication tools updated to the technology of the day?'

Table 17: Response summary on communication tools

Response(Yes/No)	Frequency	Percent
Yes	20	26.87
No	55	73.13
Total	75	100.0

Source: Authors' survey data, 2017

As a result, 73.13 % respondents revealed that our organization communication tools are not updated and automated to the technology of the day as can be seen from table above. In general though information flow is contributing to the target organization, there is yet gap regarding investment on information system. Beyond this, internal processes are not automated and activities such as communication with partners and approval directed to higher senior at different locations are executed filling hardcopy that significantly contributing to the delay of all activities.

4.6 leadership style (quality) for social enterprise performance

The study sought to identify performance of governance. Accordingly, the respondents were asked to respond to questionnaire ‘did you have efficient well prepared board meeting?’ The result is indicated in the next table.

Table 18: Response summary efficient well prepared board meeting

Response(Yes/No)	Frequency	Percent
Yes	36	29.5
No	39	70.5
Total	75	100.0

Source: Authors’ survey data, 2017

As a result, 70.5 % respondents revealed that our organization have efficient well prepared board meeting as can be seen from table above. In general though efficient and well prepared board meeting is contributing to the target organization, the remaining 29.5% of the respondent say that they may have meeting but it says that it was not efficient and well prepared this is due to the management efficiency and capacity. Similarly the respondents were asked to respond and assess their governance performance through this three question ‘Did you think that your origination has participatory decision making systems?’ “Do you think that your management is ready to learn from mistakes?” & “Do you have best external communication systems to stake holders?” And the response shows in the table below

Table 19: Response summary on time delivery

Subject	Response(Yes/No)	Frequency	Percent
participatory decision making systems	Yes	30	40.3
	No	45	59.7
	Total	75	100
management is ready to learn from mistakes	Yes	20	25.8
	No	55	74.2
	Total	75	100
	Yes	28	37.31

best external communication systems to stake holders	No	47	62.69
	Total	75	100

Source: Authors' survey data, 2017

As a result 59.7 % of the respondents indicated that decision making is not participatory with the staff and beneficiaries. 62.69 % of respondents further indicated that there is poor communication and 74.2% of respondents revealed that management staff are not ready to learn from their mistakes this shows leader (governors) in the targeted organization is not spending time to teach and coaching and this will affect the organization effectiveness and computation with rivalry .

4.7 Staff competency for Social entrepreneur's performance

In order to identify respondents' observation on staff competency of the target organization, questionnaires were presented to the respondents. The questionnaires were designed to respondents' observation relationship with the suppliers/beneficiaries, information system, and cash release in their organization. Summary of their response presented in the table 20 below.

Table 20: Response summary on staff competency

Subject	Response(Yes/No)	Frequency	Percent
Your staffs are behaviorally ethical in executing organization activities at every steps	Yes	54	71.64
	No	21	28.36
	Total	75	100
Every (department)section staffs are capable in terms of education, skill and experience to keep fit professionalism in filed	Yes	61	80.6
	No	14	19.4
	Total	75	100

Source: Authors' survey data, 2017

As a result 71.64 % of the respondents indicated that staffs are behaviorally ethical in executing professional activities at every step. Moreover, 80.6 % of respondents indicated that our

department (section) staffs are capable in terms of education, skill and experience to keep fit professionalism in their filed.

4.8 Reliability Analysis

Consistency of the questionnaires used for this study purpose, was checked using Cronbach's Alpha (α).

Table 21: Reliability table

Cronbach's Alpha	N of Items
0.789	6

Source: Source: Survey data, 2017 SSPS output

According to the Cronbach's (1951), reliability value which is greater 0.6 is acceptable. As it is possible to see from table 20, the value for Cronbach's Alpha is 0.789.

4.9 Assessment of Model Assumptions

4.9.1. Assessment of Normality

In order to check the normality of data, Kolmogorov-Smirnov and Shapiro- Wilk tests were carried out on SPSS. SPSS output in this regard is significant if these tests are less than 0.05 with the implication of there is problem of normality ($P < 0.05$) (Field, 2009).

Table 22: Normality table

	Kolmogoro v-Smirnov ^a		Sig.	Shapiro-ilk		Sig.
	Statistic	Df		Statistic	Df	
Social entrepreneurs performance	.253	67	.231	.862	67	.155

Organizational Planning	.280	67	.163	.870	67	.100
Government promotion strategy	.267	67	.147	.854	67	.131
Information flow	.242	67	.201	.891	67	.134
Leadership style	.189	67	.121	.848	67	.060
Staff competency	.246	67	.097	.840	67	.201

Source: Survey data, 2017

Results in the table 22 above indicated that $P > 0.05$ for all variables. This shows that the presence of the normality is accepted.

4.9.2. Assessment of Multicollinearity

Multicollinearity is the condition when strong correlation is observed between independent variables. Such condition experienced when tolerance value is less than 0.10 and Variance Inflation Factor (VIF) is above 10 (Field, 2009, Pallant, 2007)

Table 23: Test of multicollinearity

Variables	Tolerance	VIF
Organizational Planning	.492	2.034
Government promotion strategy	.622	1.608
Information Flow	.607	1.647
Leadership style	.699	1.431
Staff competency	.639	1.570

Source: Survey data, 2017

From the table 23 above, tolerance value for all variables is greater than 0.10 and Variance Inflation Factor (VIF) for all variables is less than 10. This shows there is no multicollinearity problem.

4.10 Inferential Analysis

To establish the relationship between the independent variables and the dependent variable of the study, an inferential analysis made. The purpose of the inferential analysis is to determine whether or not there is relationship between the variables.

4.10.1 Regression Analysis

For this study purpose a multiple regression analysis was carried out so as to determine the influence of internal organizational activity or practices on the social enterprises performance of the target organization. Hence, using the multiple regression analysis the researcher was able to predict the score of each variable on the basis of its scores on several other variables.

Table 24: ANOVA table

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	38.813	5	7.763	23.798	.000 ^b
Residual	17.941	55	.326		
Total	56.754	60			

Source: Survey data, 2017 SSPS output

The F critical at 5% level of significance is 2.38. Since F calculated is greater than the F critical (value = 23.798), overall model was significant. From table 4.5 above, the significance value is 0.00 which is less than 0.05 thus the model is statistically significance in predicting how organizational planning, government promotion, information flow, leadership style and staff competency affect the performance of social entrepreneurs.

The study further conducted regression analysis to determine the relationship between independent variables and dependent variable. To this end the regression equation was developed as follow:

$$SP = \beta_0 + \beta_1P + \beta_2G + \beta_3I + \beta_4L + \beta_5C + \alpha, \text{ while}$$

P= Social entrepreneurs Performance (Dépendent Variable)

B1 to $\beta 5$ = Regression Coefficients

P= management (overall) planning

G= Government promotion strategy

I= Information flow

L= Leader ship style

C= Competency of staff

Table 25: Significance of variables in the model

Model summary	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
(Constant)	.456	.213		2.138	.037
management (overall) planning	.195	.097	.218	2.021	.048
Government promotion strategy	.181	.075	.231	2.407	.019
Information Flow	.199	.087	.223	2.288	.026
Leader ship style	.151	.060	.227	2.500	.015
Staff competency	.149	.065	.218	2.299	.025

Source: Survey data, 2017 SSPS output

As it is shown in the table 25 above, if all other variables are kept constant, a unit increase in organizational planning will lead to a 0.195 increase in social entrepreneur's performance at the targeted office. Further, a unit increase in government promotion will lead to 0.181 increases in entrepreneur's performance at the targeted office. In addition a unit increase in information flow will lead to a 0.199 increase in entrepreneurs' performance at the targeted office. Moreover, a unit increases in leadership style will lead to a 0.151 increase in targeted office entrepreneurs performance. Finally, a unit increase in staff competency will lead 0.149 increases in entrepreneur's performance of targeted office. These results imply that information flow

contributes more to the entrepreneurs performance the organization followed by organization planning and then government promotion activities, while staff competency contributes the least to entrepreneurs Performance at Selam enterprise office . At 5% level of significance and 95% level of confidence, organizational planning had a 0.048 level of significance, government promotion activities showed a 0.019 level of significance, information flow showed a 0.026 level of significant, leadership style showed 0.015 and staff competency had a level of significance of 0.025. The t critical at 5% level of significance at $df = 60$ degrees of freedom is 1.671. Since all t calculated values were above 1.671, and then all the variables were significant in explaining the performance.

4.10.2. Coefficient of determination

The coefficient of determination is calculated to explains the trend to which changes in the dependent variable can be attributed by the change in the independent variables or the percentage of variation in the dependent variable that is explained by all the five independent variables (government promotion strategy, leadership style, information flow, strategic and annual planning, and staff competency)

Table 26: Coefficient of determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.827 ^a	.684	.655	.57113

Source: Survey data, 2017 SSPS output

According to this coefficient of determination result, the model's five independent variables (government promotion strategy, leadership style, information flow, strategic and annual planning, and staff competency) were studied explaining only 68.4 % of the social entrepreneurs Performance at the targeted office as represented by the R^2 . This shows five independent variables only contribute about 68.4% to the social entrepreneurs Performance at the targeted office. Other variables not included in the study contribute about 31.6% that is open for other study.

4.10.3 Correlation coefficient

In order to the relationship between the variables, the study used spearman's coefficient of correlation. The finding was as seen in the next table. As shown in table, 27 below, the correlation between strategic and annual planning and social entrepreneurs Performance is 0.605, government promotion strategy and social entrepreneurs Performance is 0.579, information flow and social entrepreneurs Performance is 0.584, leadership style and social entrepreneurs Performance is 0.559 and staff competency and social entrepreneurs Performance is 0.558.

Table 27: Coefficient of correlation

			Social entrepreneurs performance	Organizational Planning	Government promotion	Information technology/ on Flow	Leadership style	Staff competency
Spearman's rho	Social entrepreneurs performance	Correlation Coefficient	1.000					
		Sig. (2-tailed)	.					
	Social entrepreneurs performance	Correlation Coefficient	.605**	1.000				
		Sig. (2-tailed)	.000	.				
	Planning	Correlation Coefficient	.579**	.387**	1.000			
		Sig. (2-tailed)	.000	.002	.			
	Government promotion	Correlation Coefficient	.584**	.484**	.462**	1.000		1.000
		Sig. (2-tailed)	.000	.000	.006	.		
	Information flow	Correlation Coefficient	.559**	.451**	.442**	.318*	1.000	
		Sig. (2-tailed)	.000	.000	.000	.013	.	
		Correlation Coefficient	.558**	.553**	.485**	.229	.287*	

	Leadership style	Sig. (2-tailed)	.000	.000	.000	.077	.025	
	staff competency							

Source: Survey data, 2017 SPSS output

All the independent variables have strong correlation with dependent variable however strategic and annual (organizational) planning and information flow have the stronger correlations followed by government promotion and on leadership style and then with staff competency respectively.

4.11 Hypothesis test

The regression analysis whose results are presented in the previous section provided comprehensive and accurate examination of the research hypothesis. Therefore, the regression results obtained from the model were utilized to test these hypotheses.

H1: Organizational Planning positively contributes to social entrepreneur's performance

According to the first hypothesis of this study, it was proposed that strategic and annual planning positively contributes to the social entrepreneur's performance in the target organization. Regression analysis results in the table 27 shows that the positive beta sign and a statistically significant result organizational planning with the performance ($\beta = 0.195$, $t = 2.021$, $P < 0.05$). Accordingly, the result supports the first hypothesis. Organizational planning in terms of need identification, timely planning, market analysis, participatory planning, and adherence to the planning has significant impact to determine social entrepreneurs performance including business , environmental and social performance . This result was similar to the findings of the previous studies (For instance, Muringi 2013, Noor et.al, 2013) These findings show that planning has positive and significant contribution to the organization performance.

H2: Government promotion strategy has positive relationship with social enterprise success

The second hypothesis of this study is that **government promotion strategy** has positively contributes to the **social enterprise success** (performance). Statistical result ($\beta = 0.181$, $t = 2.407$, $P < 0.05$) supports this hypothesis. As the result government promotion practice with the major objectives of identifying and creating market link and availing land with low costs significantly determines social entrepreneurs' performance. Side by side social entrepreneurs' should consider

promotion of social entrepreneurs from government side will be one of potential challenge and should develop strategy to fill the support or promotion gap from government office. In addition to this Social entrepreneurs should work closely with different social innovation project through different universities, NGOS & UN projects (social entrepreneurs' incubators, school of entrepreneurs and advocacy activities). This can maintain long range relationship with government with the good performance and also curtail partners who are support your dream and solve social problems together. This result was similar to the finding of the previous studies (for instance, Carles boromens 2001:9) effective government promotion strategy for social entrepreneurship has positive impact to support and contribute to economic development and sustainable community. Beside, Peredo& Mclean(2006) also support the idea of government promotion and they believe that government support is very critical for the growth of social entrepreneurs this leads to support for getting financial and market link for their production to create favorable ecosystems for creating more social entrepreneurs.

H3: Information flow positively and significantly related to the social enterprises performance

According to the third proposed hypothesis of the study, information flow positively and significantly related to social enterprises performance. Statistical result from regression analysis ($\beta = 0.199$, $t = 2.288$, $P < 0.05$) supported this hypothesis (table 27). Hence, information flow has impact on social enterprises performance. The result is consistent to the previous findings (For instance, Ibrahim et.al, 2012, Siamb et.al, 2014, and Mwiringi, 2014). These findings concluded that for the performance of social enterprises performance, information flow matters. Information flow to be fast enough to the extent required be within the organization or with external suppliers & partner's communication tools are impactful. Unless the tools are updated to the technology of the day, poor information flow will be the outcome challenging financial, material and information flow.

H4: Leadership (governor) style has positive relationship with social enterprises performance

Statistical data from regression analysis being ($\beta = 0.199$, $t = 2.288$, $P < 0.05$) supported this hypothesis. **Leadership (governor) style** can determine the performance of the **social enterprises performance** by reducing staff satisfaction product time length and over product quality. Leadership style enable organization, be it for profit or not for profit organization, to address timely their customers/beneficiaries timely. However, leadership style is not an easy task

demanding collaborative efforts of both leader and staff. There should be integration of activities in decision and change that is impossible without effective communication is very important. In addition, organization should focus on assigning sufficient work force to balance work load on those who participate in leadership and organization change activities. So this will be a determinants for the performance of Social Entrepreneurial firms if you have collaboration and communication within the management and staff other with it will be the sources of conflict for the social enterprise. This result was similar to the finding of the previous studies (for instance, Smith and Woodworth, 2012) the role of leadership is particularly important in terms of organizational growth in every area of the organization.

H5: Staff competency positively and significantly related to social entrepreneurs performance

This is the last hypothesis of the study. Similar to the fore listed, this hypothesis also statistically supported with result of the regression analysis result ($\beta = 0.149$, $t = 2.299$, $P < 0.05$). This is possible since it maintains technical and behavioral competency. Staff competency is the determinant elements as indicated by this research finding to determine social entrepreneur's activity which will in turn has impact on the social enterprise performance. This result was similar to the finding of the previous studies (for instance, Cornforth and Edwards 1998: 24–8) It may also be difficult to find members with the right skills and experience to stand for election to the board, possibly weakening the board's capacity to govern and hold management to account. So as per the observation and research finding in the employ market even if this factors has positively & significant impact on the performance. Richy Daneil (2015) also had similar findings with this hypothesis ,he believe that for any social entrepreneurs lake of skilled man power is one of the bottleneck to fulfill their mission in a holistic manner and because of this they may face comparative disadvantage in the business environment.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

The Primary focuses of this study was to determinate the major determinant factors for the social entrepreneurs in Ethiopia according to the employees perception; on this research it was possible to get different findings.

Based on the demographics data collected from the respondent the analysis indicate that 88% of the respondent was male which depicted that the production technical expertise was dominated by male. When we see their level of education the result shows 4.5%, 32.8% and 62.7% of the respondent are masters, first degree and diploma holder respectively. Majority of the respondent were diploma and first degree holders. Regarding respondent experience and position 64% of the respondent has more than three years of experience in the business and 80% of them were at operational and middle level manager and this shows that staff turnover is relatively stable and rich experience at operational and midlevel manager. The result has implication as the respondent has information on the topic under consideration and this is one of the potential opportunities of social entrepreneurs to have competitive advantage in the market.

Regarding to overall planning problems with the insight of determinants of the performance of Social Entrepreneurial Firms in Ethiopia 80.6% of the respondents believed that their organization doesn't work to identify different needs during planning process which leads to the miss match of beneficiary's requirement and results poor achievement towards its goal. Regarding market analysis and timely planning during the planning process 55.22% of respondent believe that market analysis during planning was not practice and 50.75% of respondent reveled that annual planning is prepared timely in the target organization. Beside this 68.66% respondent reveled that there is no problem regarding adherence to the planning. This shows the majority of respondent believes that even if they have problem with market analysis and need identification however they had very good experience on timely planning and working accordingly.

When we see the impact of leadership style, 63.9% indicated government doesn't build the business environment for social enterprise by deducting tax and 64.18% of the respondent revealed that there is no practice of government to build social innovation ecosystems. For social enterprise innovation ecosystems is not optional but mandatory for organization as it provides basic ground for social enterprise performance in providing solution for social problems that was not adders by commercial entrepreneurs and government. Regarding availing land and showroom 69.5% of the respondent revealed that government don't avail land for production and showroom. So this shows that investing as social entrepreneurs will have bottleneck because of government don't have any supporting plat form for new and existing social enterprise.

Regarding information flow and information tools 73.13 % of respondent revealed that their organizational information flow are not updated and this was a determinant of the performance of Social Entrepreneurial Firms in Ethiopia.

Regarding leadership style 70.5% of respondent revealed that their organization have efficient and well prepared board meeting and 62.69% of respondent further indicate that there is poor communication with stake holders and 74.2% of respondent reveled that management staff are not ready to learn from their mistakes this shows governess in the targeted organization is not spending time to teach and coaching. Majority of respond were believe that even if they have regular and well organized meeting but they have poor communication with external and internal stake holders besides the management staff was not responsive for change and learn from their mistakes and this was affecting the origination effectiveness and computation with rivalry.

When we see staff competency 71.64% of the respondent indicated that staffs are behaviorally ethical in executing professional activities at every step moreover, 80.6% of respondent indicated that our staff are capable in terms of education, skill and experience to keep fit professionalism in their filed and this show that the organization has competitive advantage because of the staff competency.

5.2 Conclusion

Social entrepreneur's performance can be measured in terms of social, economic and environmental parameter in social entrepreneur's activity or practices.

As per the employees perception, In Selam children village & Eminence social entrepreneurs Social entrepreneurs performance increases when there is effective strategic and annual planning practiced, effective government promotion practices, fast information flow, good leadership style and competent staffs are in place. From the regression analysis model, the result shows that these variables affect social enterprise performance positively and contribute to the 68.4% change in the dependent variable.

A unit increase in the organizational planning, government promotion strategy, information flow, good leadership style and staff competency will lead to a 0.195, 0.181, 0.199, 0.151, and 0.149 increases in social entrepreneur's performance at Selam children vilige & Eminence social entrepreneur's .Office respectively. The most important contributing factor, as indicated by respondents, is information flow followed strategic and annual planning.

There is poor strategic and annual planning in terms of needs are not identified properly a head of planning, there is no timely planning, market analysis not conducted properly, and there is no proper adherence to the plan that are challenging social entrepreneurs performance. When these problems ranked, according to the respondents, the most serious problem is failure to conducting market analysis followed by no proper adherence to the plan. So this is the critical challenge at startup or ongoing stage of social enterprise beside this anyone who has interest to invest in social problem should consider as determinants for their performance in Ethiopia and if they are ready to have way out this can be sources of winning in the market or rival.

effective government promotion practices through tax reduction, building social innovation ecosystems ,creating marketing, link and availing land and work place intended for acquiring materials at low cost and price leads to produce quality goods and service . This means if government create market link for social enterprise their will not have difficulty to get raw material from suppliers and have they will now how much they will produce or market demand in others side if the government has promotion strategy like tax relief and availing land for workshop and production the enterprise will sale their product at low price and this will have impact on balance of inflation and life standard for consumers leads to create more jobs and solve social problems .Moreover, government has a lot to do in the society and there is issue that

is not adders by his office or by commercial ventures so social entrepreneurs is the only option but according to the observation and the finding there are no ministries or government agencies specifically responsible for social enterprises to support supporting the development of the SE market and also the finding supported by Richy danel(2015) they believe that government support are very critical to produce skilled labor, expanding education in entrepreneurs, carting social entrepreneurs culture, access to finance & market link for social entrepreneurs and this leads to create social entrepreneurs ecosystems

Information flow for the purpose of social entrepreneurs is not fast enough in the target organization for this study. There is no information system consistent to the technology of the day to capture and process organization related information which affect social entrepreneurs' performance negatively.

Procured & produced materials are sometimes not delivered timely from suppliers and from our production department to customers as well as to the beneficiaries due to lack of focus meaning there is overloading jobs on the departments like marketing & procurement, poor communication and poor understanding on material holding costs not only that poor communication with partners and beneficiary will leads to misunderstanding of the organization vision and will create challenge for social entrepreneurs.

In relation to staff competency, even though staffs do not have major gaps in terms of technical and behavioral aspects, there is a need to have up dated trainings on the subject matter. Beside, according to the observation and findings we don't have any problems with skilled labor in the market.

5.3. Recommendation

Based on the research findings from the employees' perception, regarding with the main objectives of the study, the researcher provides the following recommendations for the research targeted firms.

The finding of the study showed that organizational (strategic and annual) planning; government promotion strategy, information flow, leadership style and staff competency were statistically significant and positively contribute to the social enterprise management. The most contributing factor is information flow followed strategic and annual planning, government promotion, leadership style and staff competency respectively. Thus, though all the variables significantly contribute to the social entrepreneur's performance, the organization should give special emphasis to the information flow and then give priority to other variables to improve its performance. These variables should be handled in more planned, regular and systematic ways to review their status from time to time.

The study finding showed that there are gaps in practice of the strategic and annual planning in the targeted organizations. First, there is a gap regarding to the need identification from the beneficiaries as a pre-condition for the planning. Hence, the organization should take action setting responsibility and accountability to this element to identify the priority areas demanding intervention from the beneficiaries where the supports directly go for the consistency and fitting with existing needs which in turn contributes to the organizational performance. Second, in order to carryout accurate forecast of market price, the organization should consider market analysis to avoid unreasonable discrepancies between planned and actual market that in turn contribute to the performance. Third, in order to avoid delays on one hand and rush activity on the other hand, the organization should give emphasis for timely planning which is vital to promote effectiveness. Finally, the organization should move on consistently to the decisions made regarding what to procure and produce in terms quantity, quality, time and source during planning for the smooth functioning of the activity.

The finding of the study showed that in the targeted organizations, information flow and information technology which is vital for both material and financial flow is not fast enough because the communication tools are not updated and automated. This is to mean that there is no automated information system designed to support information flow for social entrepreneur's

purpose. Hence, the organizations should invest on modern information system that captures information from lower level to higher level and vice versa and to get organizational performance improved.

Leaders working in this sector have to focus both on the internal and external environment; they must plan, motivate, organize, make decisions, delegate, coordinate, report, supervise, manage finance and sometimes raise funds (Kurleto, 2012) the findings of this study reveals that the targeted organization leaders has limitation on focusing internal and external environment because of this activities are not deliver on time for customers and partners or beneficiaries. This attributed firstly, to the poor communication due to poor communication tools developed by leaders. So, the organization is recommended to invest on modern information flow infrastructures. Secondly, lack of experienced management related problems resulting from lack of experienced management staff & lack of enough work forces assigned to these undertakings. Hence, the organization should review its work force structure for each management practices at each level to assign enough work forces to run the business in more manageable pattern. So, the organization is recommended to improve the understanding of its work force continuously from time to time for immediate deliveries of inputs sooner the activity are carried out and develop a follow up mechanism.

As the study finding reveals staff competency were not significant which determines social entrepreneur's performance in two ways, technically and behaviorally. Even though, there was less significance or no major gaps in terms of these two aspects so far each staffs need to have updated trainings to cope up with the contemporary technology & management so that they would increase their effectiveness and efficiency that contributes to high performance.

5.3 Future Research Direction

This study looked at five independent variables (organizational (strategic and annual) planning; government promotion strategy, information flow, leadership style and staff competency) which according to the study contribute to 68.4% of the variations in social entrepreneurs performance in targeted organization. The researcher recommends further research to investigate the other factors that affect performance of social entrepreneurs.

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APPENDICES

APPENDICE 1: QUESTIONNAIRE

Addis Ababa University College Faculty of Business and Economics Graduate

Department of Management (Msc)

General Direction: The purpose of this questionnaire is to collect data on: Determinants of the Performance of Social Entrepreneurial Firms in Ethiopia in the case of Selam children village and Others Social entrepreneurship. Information you provide would be very crucial for the success of the study. Therefore, you are kindly requested to be honest toward all the items provided in the questionnaire. Your response to the questions will be kept confidential.

General Information

Dear Respondent, this section is intended to gather or obtain general information about the respondent. So, please provide the necessary responses by “shading” the Number in your favorite color). Or you may work with pencil and scan it for me after your response.

1. Strongly disagree 2= disagree 3 = Neutral 4= Agree 5= strongly agree

1. Questionnaires to assess organizational (management) planning	Scale				
	1	2	3	4	5
1. My organization prepare annual and strategic planning and it is updated	1	2	3	4	5
2. My origination plane is based on need identification from market and beneficiaries	1	2	3	4	5
3 During strategic and annual plan preparation market analysis is considered and acted accordingly	1	2	3	4	5
4. Appropriate contingencies established to address materials and labor cost escalation	1	2	3	4	5
5. During annual and strategic plan preparation the subject matter expertise have a leading role.	1	2	3	4	5
6. The annual & strategic plan is participatory and I engage to add input during preparation of the plan	1	2	3	4	5
7. Most of the times management activities are conducted in adherence to the management plan	1	2	3	4	5
8. In my opinion strategic and annual plan has essential contribution to win rivalry of the existing market and timely delivery of product	1	2	3	4	5

9. Due to annual and strategic plan that prepared timely, most of the times actions taken consistently to the plan that helps us producing quality products	1	2	3	4	5
10. Clear vision and mission are listed for each department to be achieved in every year and most of the times I satisfied with our stated mission and vision since the stated desired achieved and met our standard	1	2	3	4	5
11 In my opinion our strategic and annual plan has clear performance evaluation standards for both the staff and organization	1	2	3	4	5

2. My leader/Manager

This part of the questionnaire is to describe the leadership style of your organization as you perceive it. Please answer all items on the answer sheet. Judge how frequently each statement fits the person you are rating. Use the following scale:

1= not at all

2= once in a while

3= sometimes

4= fairly often

5=frequently, if not always

2. My leader/Manager	Scale				
1. Provides me with assistance in exchange for my efforts	1	2	3	4	5
2. Re-examines critical assumptions to questions whether they are appropriate	1	2	3	4	5
3. Fails to interfere until problems become serious	1	2	3	4	5
4. Focuses attention on irregularities, mistakes, exceptions and deviations from standards	1	2	3	4	5
5. Avoids getting involved when important issues arrive	1	2	3	4	5
6. Talks about their most important values and beliefs of your orgization	1	2	3	4	5
7. Is absent when needed	1	2	3	4	5
8. Discusses in specific term who is responsible for performance targets	1	2	3	4	5

9. Waits for things to go wrong before taking action	1	2	3	4	5
10. Talks enthusiastically about what needs to be accomplished	1	2	3	4	5
11. Specifies the importance of having a strong sense of purpose	1	2	3	4	5
12. Spends time teaching and coaching toward our stated mission and vision	1	2	3	4	5
13. Makes clear what one can expect to receive when performance goals are achieved	1	2	3	4	5
14. Goes beyond self-interest for the good of the group	1	2	3	4	5
15. Demonstrates that problems must become chronic before taking action	1	2	3	4	5
16. Acts in ways that build my respect	1	2	3	4	5
17. Considers the moral and ethical consequences of decisions	1	2	3	4	5
18. Keeps track of all mistakes	1	2	3	4	5
19. Displays a sense of power and confidence	1	2	3	4	5
20. Articulates a compelling vision of the future	1	2	3	4	5
21. Directs my attention towards failure to meet standards	1	2	3	4	5
22. Considers me as having different needs, abilities and aspirations from others	1	2	3	4	5
23. Gets me to look at problems from many different angles	1	2	3	4	5
24. Helps me to develop my strengths	1	2	3	4	5
25. Suggests new ways of looking at how to complete assignments	1	2	3	4	5
26. Delays responding to urgent questions	1	2	3	4	5
27. Expresses satisfaction when I meet expectations	1	2	3	4	5
28. Expresses confidence that goals will be achieved	1	2	3	4	5

3. Questionnaires designed to assess Information Technology

For each item identified below, circle the number that most closely describes how you see your whole organization about the information technology that used by your origination.

Use the scale below to select the quality number.

1=not at all

2= once in a while

3= sometimes

4= most of the time

5 = frequently, if not Always

3. Questionnaires designed to assess Information Technology	Scale				
1 For our organization social activities information flow plays great role	1	2	3	4	5
2. Existing communication tools are enough and updated to the technology of the day	1	2	3	4	5
2. our organization has been applying computerized tendering both in foreign and local transaction processes	1	2	3	4	5
4. our organization has information system that captures, process and analyze demand of market computation and use modern manufacturing systems for our product and service	1	2	3	4	5
5. Currently, since communication system of my organization is well established and automated, information flows within the organization and there is also ease of communication with suppliers.	1	2	3	4	5
6. In my opinion, my origination has invested on information system infrastructures for effective management decision.	1	2	3	4	5
7. In my opinion, my origination has we organized and automated way of production.	1	2	3	4	5

8. we have the most updated technology and machine for our production and it helps to achieve our stated goal	1	2	3	4	5
4. Questionnaires designed to assess staff competency					
1 Every staff who engaged in every department have prior awareness on my organization vision, mission and target goal.	1	2	3	4	5
2. Staffs who are working in every unit & department are technically competent enough in performance delivery	1	2	3	4	5
3. Staffs are behaviorally ethical in executing each activities at every steps	1	2	3	4	5
4. all staffs are capable in terms of education, skill and experience to keep fit professionalism in delivering required service	1	2	3	4	5
5. Staffs have got up-to-date capacity building training on the subject matter	1	2	3	4	5
6. In my opinion, my origination has invested on staff capacity for better performance and this help the organization have better staff than the market	1	2	3	4	5
7. In my opinion, my staff are well organized and competent in the labo market	1	2	3	4	5
8. Because of all staffs are capable in terms of technical capacity our revenue increase and my origination performed well in rivalry.	1	2	3	4	5

5. Questionnaires designed to assess government promotional strategy for social enterprise

This part of the questionnaire is to describe the government promotional strategy for social enterprise as you perceive it. Please answer all items on the answer sheet. Judge how frequently each statement fits the person you are rating. Use the following scale:

1= not at all

2= once in a while

3= sometimes

4= fairly often

5=frequently, if not always

5. Questionnaires designed to assess government promotional strategy for social enterprise	Scale				
	1	2	3	4	5
1 I feel that government support Social enterprise through tax deduction or relief	1	2	3	4	5
2. there is too little chance to build an enabling social innovation ecosystems from government side	1	2	3	4	5
3. There is too much bickering and fighting to everywhere we go to government office	1	2	3	4	5
4. our partnership with woredas and other stake holder from government side are week	1	2	3	4	5
5. I am satisfied with the chance of promotion that government avail for my origination	1	2	3	4	5
6. Government avail land for our production place and show room and this help as a sources of finance.	1	2	3	4	5
7. In my opinion, my origination has the opportunity to share our experience and knowledge to different institution and universities	1	2	3	4	5
8. I feel that the concept of social entrepreneurship is well known and customized in our society	1	2	3	4	5

9. For me I believe that government has clearly identify the structure and role of NGO and social entrepreneurship	1	2	3	4	5
10. This origination really inspires to innovate solution for social problem because of the government support	1	2	3	4	5

Dear Respondent, this section is intended to gather or obtain general information about the respondent. So, please provide the necessary responses by “shading” the Number in your favorite color). Or you may work with pencil and scan it for me after your response.

1. Strongly disagree 2= disagree 3 = Neutral 4= Agree 5= strongly agree

6. Questionnaires to assess organizational performance	Scale				
1. As social and business origination I believe that financial viability of MY organization has improved for the last five years	1	2	3	4	5
2. I believe that the business plane is in place, reviewed and updated regularly	1	2	3	4	5
3 I think that the organization has established market networks and investigated opportunity	1	2	3	4	5
4. I believe that OUR staff competency support in the establishment of market network	1	2	3	4	5
5. One of the existence of social enterprise is to provide income or employment to community beneficiaries and contribute to community livelihood and wellbeing so I believe that THE organization achieve this mission (meet this	1	2	3	4	5
6. I feel that my origination evaluate environmental impact of our product	1	2	3	4	5
7. I feel that the origination arrange training and education about environmental awareness for the staff and community	1	2	3	4	5
8. I believe that OUR technological innovation proper (meet the standard of environmental suability) to environments	1	2	3	4	5
9 As social enterprise I believe that roles, responsibility and expectation established and well monitor with partners	1	2	3	4	5
10. I believe that regular communication maintained among partners based on standard automated technology	1	2	3	4	5

11. I believe that monitoring and managing change in partnership composition

1	2	3	4	5
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Below are some questions to get a better overall view of the respondent. Please note that all data remains anonymous.

1. What is your gender?

☐ Male

☐ Female

2. What is your current job category within the organization?

☐ Operational (work floor)

☐ Supervisor (middle management)

☐ Administrative personnel

☐ Manager (upper management)

☐ Owner of the origination

3. What is your age range?

☐ 16 – 24

☐ 45 – 54

☐ 25 – 34

☐ 55 – 64

☐ 35 – 44

☐ >65

4. What is the highest level of education you have completed?

☐ PRIMARY EDUCATION

☐ DIPLOMA/CERTIFICATE

☐ Degree University

☐ Masters

☐ Doctorate

☐ International Certificate

Can you, please, address the following questions based on your observations?

1. As manager /owner, are you satisfied with the performance of your staff performance regarding getting **what you want, subject matter expertise, and competitiveness of your staff and so on?**

Yes ☐

No ☐

2. If your response is 'No' to question above, can you please, list the reason for the dissatisfaction?

.....
.....
.....

3. Do you think that the current strategic planning approach in practice contributing well to the management to the extent needed?

Yes ☐

No ☐

4. If 'No' to the question '3' above, what areas need improvement?

.....
.....
.....
.....

5. Social entrepreneurship promotion activities by government are having indispensable role to get achievement in desired goals and innovation of my origination not only that to get raw materials from right suppliers at right time and at right price.

Yes ☐

No ☐

6. If no to question '5' above, can you list the areas of failures/challenges?

.....
.....
.....

7. After strategic planning activities are carried out, is your organization review performance of you origination and market need based on customer need, cost and services /goods delivery time?

Yes ☐

No ☐

8. If no to question number '7', what do you think is influences of failure to review performance of your organization and market need?

9. Government has different strategy to promote our effort in the economy (solution of the society problem) and it support us to expand our vision and impact in finding innovative solution for social problem?

Yes ☐

No ☐

10. If no to question number '9', what do you think the government should do to promote social enterprise ?.....

11. As social entrepreneur I have different opportunity like market opportunity and government support that inspire for further innovation that support and solve social challenge?

Yes ☐

No ☐

12. If your response is 'No' to question above, can you please, list the reason for the lack of opportunity/ government support? -----

13. In your career or path as social entrepreneur in this city do you feel that your organization has impact on individual's life?

Yes ☐

No ☐

14. If your response is 'No' to question above, can you please, list the reason for you do have impact? -----

Question to assess the origination performance (through business performance indicators, social performance indicators & Environmental performance indicators)

1. As social and business origination do you believe that your financial viability of your organization has improved for the last five years

Yes ☐

No ☐

If your response is 'No' to question above, can you please, list the reason for you do have impact? -----

2. If your response is 'Yes' to question above do you believe that your business plane in place, reviewed and updated regularly?

Yes ☐

No ☐

If your response is 'No' to question above, can you please, list the reason for you do have impact? -----

3. Do you think that the organization has established market networks and investigated opportunity?

Yes ☐

No ☐

If your response is 'No' to question above, can you please, list the reason for you do have impact? -----

4. If your response is 'Yes' to question above do you believe that you're your staff competency support in the establishment of market network

Yes ☐

No ☐

If your response is 'No' to question above, can you please, list the reason for you do have impact? -----

5. One of the existence of social enterprise is to provide income or employment to community beneficiaries and contribute to community livelihood and wellbeing so do you believe that your organization achieve this mission (meet this objective)

Yes ☐ No ☐ In between ☐

If your response is 'No' to question above, can you please, list te reason for you do have impact? -----

6. If in between is that because of..

- A. Lack of government support
- B. Poor leadership style
- C. Lack of technology
- D. Under performance of staff
- E. Poor planning

If you believe that the reasons is not included in the above indicate here _____

7. Do you think that your origination evaluate environmental impact of your product? Yes ☐
No ☐

If your response is 'No' to question above, can you please, list te reason for you do have impact? -----

8. Did the origination arrange training and education about environmental awareness for the staff and community

Yes ☐ No ☐

If your response is 'No' to question above, can you please, list te reason for you do have impact? -----

9. Do you believe that your technological innovation proper (meet the standard of environmental suability) to environments? Yes ☐ No ☐

If your response is 'No' to question above, can you please, list te reason for you do have impact? -----

10. As social enterprise do you believe that roles, responsibility and expectation established and well monitor with partners?

Yes ☐ No ☐

If your response is 'No' to question above, can you please, list te reason for you do have impact? -----

11. Do you believe that regular communication maintained among partners based on standard automated technology? Yes ☐ No ☐

If your response is 'No' to question above, can you please, list te reason for you do have impact? -----

12. Do you believe that monitoring and managing change in partnership composition? Yes ☐ No ☐

If your response is 'No' to question above, can you please, list te reason for you do have impact? -----

Thank you in advance for your time!

APPENDIX 2

STATISTICAL RESULTS FOR VARIABLES

Table 22: Normality table

	Kolmogorov-Smirnov ^a		Sig.	Shapiro-Wilk		Sig.
	Statistic	Df		Statistic	df	
Social entrepreneurs performance	.253	67	.231	.862	67	.155
Organizational Planning	.280	67	.163	.870	67	.100
Government promotion strategy	.267	67	.147	.854	67	.131
Information flow	.242	67	.201	.891	67	.134
Leadership style	.189	67	.121	.848	67	.060
Staff competency	.246	67	.097	.840	67	.201

Source: Survey data, 2017

Table 23: Test of multicollinearity

Variables	Tolerance	VIF
Organizational Planning	.492	2.034
Government promotion strategy	.622	1.608
Information Flow	.607	1.647
Leadership style	.699	1.431
Staff competency	.639	1.570

Source: Survey data, 2017

Table 24: ANOVA table

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	38.813	5	7.763	23.798	.000 ^b
Residual	17.941	55	.326		
Total	56.754	60			

Source: Survey data, 2017 SSPS output

Table 25: Significance of variables in the model

Model summary	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
(Constant)	.456	.213		2.138	.037
management (overall) planning	.195	.097	.218	2.021	.048
Government promotion strategy	.181	.075	.231	2.407	.019

Information Flow	.199	.087	.223	2.288	.026
Leadership style	.151	.060	.227	2.500	.015
Staff competency	.149	.065	.218	2.299	.025

Source: Survey data, 2017 SSPS output

Table 26: Coefficient of determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.827 ^a	.684	.655	.57113

Source: Survey data, 2017 SSPS output

Table 27: Coefficient of correlation

			Social entrepreneurs performance	Organizational Planning	Government promotion	Information technology / on Flow	Leadership style	Staff competency
Spearman's rho	Social entrepreneurs performance	Correlation	1.000					
		Coefficient						
		Sig. (2-tailed)						
	Social entrepreneurs performance	Correlation	.605**	1.000				
		Coefficient						
		Sig. (2-tailed)	.000					1.000
	Planning	Correlation	.579**	.387**	1.000			
		Coefficient						
		Sig. (2-tailed)	.000	.002				

	Government promotion						
		Correlation Coefficient	.584**	.484**	.462**	1.000	
		Sig. (2-tailed)	.000	.000	.006	.	
	Information flow						
		Correlation Coefficient	.559**	.451**	.442**	.318*	1.000
		Sig. (2-tailed)	.000	.000	.000	.013	.
	Leadership style						
	staff competency						
		Correlation Coefficient	.558**	.553**	.485**	.229	.287*
		Sig. (2-tailed)	.000	.000	.000	.077	.025

Source: Survey data, 2017 SPSS output

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Matiws Ensermu (Ph.D.), my advisor. All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or full to any other higher learning institution for purpose of earning any degree.

Name Samuel Abebe

Signature & Date _____

ENDORSEMENT

This thesis has been submitted to Addis Ababa University College of Business and Economics Graduate Department of Management for examination with my approval as university advisor.

Advisor: Matiwos Ensermu (Ph.D.)

Signature & Date _____