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Abstract

The idea that difference exists between rural and urban enterprise activity is not new, the obvious comparators are measures such as social architecture, resource availability and accessibility. However, when the concept and practice of management in social enterprise is compared in these two contexts then there is opportunity to further our understanding of the contextual challenges encountered by social enterprise. In this paper six cases studies are compared and analysed: three cases are urban social enterprises and three classified as remote rural social enterprises. The urban cases are social enterprises located around Glasgow in the west of Scotland and are compared with three remote rural location studies, one on the Scottish mainland peninsula, the other in northern Scotland and the final case on a Scottish western island. We conclude that the main differences between remote rural and urban management of social enterprise are heavily nuanced by in-migration levels in both rural and urban locations, leadership and community needs and therefore deserving of context relevant policy.

Keywords: Rural, urban, social enterprise, entrepreneurship, management

Introduction

Living in a rural space is understood to be a different experience when compared to living in an urban space but attachment to that 'space' can be equally as strong for either and can be considered as meaningful for as many similar as there are dissimilar reasons (Bailey and Biggs, 2012; Kuehne, 2012; Gosling and Williams, 2010; Hindendrad and Hennon, 2005). Throughout the world many make choices to locate in one or other of these landscapes and much of how identity and belongingness is shaped has been an evolutionary reorganisation of social infrastructure and economic activity which is widely considered as 'life' in a progressive society (Bryant 1999). Of course choice and mobility of where to live is not a given and there are many born into their landscape who grow up there. Perhaps some would consider this type of connection a burden, others a social history and birthright, and others just simply having attachment to a known space (Campbell, 1980; Dickson, 1980; Bailey and Biggs, 2012). Equally the inner city may provide some with a convenience-based modern lifestyle but for others it might be a prison of poverty, the basic assumption being that the community is geographically placed.

The Scottish Government has published policy which clearly addresses key aspects of economic renewal and regeneration through enterprise activity (Scottish Government, 2010). Engaging in these policy-driven activities includes a number of communities and social enterprises all seeking to tackle a local, social or disadvantage problem and improve the lives of their community. Extensive work has resulted in a vast number of cases offering consideration of how social enterprise can be structured, how they challenge their community problems and so on. In particular Bailey and Biggs (2012) examine older adults' conceptions of living and working in rural spaces specifically the cultural drivers and the connectivity they feel with their landscape. So despite government efforts and the wider pursuit of equality, one key feature of society is the mix of similarities and differences creating a complex landscape and one where connectivity, identity, understanding and tolerance is part of the management dynamic. This paper is concerned with the similarities and differences between managing a social enterprise organisation in a rural context and an urban context where 'community need' is the purpose for business sustainability and growth.

This article reports on a case study analysis of six social enterprises, three in a rural context and three in an urban context where in-depth interviews were carried out to investigate management practice. This paper continues with a review of literature that offers insight to how social enterprise is contextually shaped which will highlight current thinking in such matters before the management variables are considered. Discussion around rural and urban community perspectives (Scottish Government, 2007; Scottish Government, 2010) informs our understanding of the context before findings are presented to show the distinctive similarities and differences of management practice in rural and urban social enterprise.

Community 'need' as context

In its broadest terms social enterprise advocates competing ideas of profit and social value. Although a contradiction in terms the output is ideally a sustainable, well-managed venture with multiple and collective benefits; but this is not without its challenges, especially in terms of communications and stakeholder agreement (Dacin et al 2011; Santos, 2009). Patzelt and Shepherd (2011) maintain that

knowledge of the social context will enhance the economic opportunity for sustainable development arguing that a social enterprise differs from a for-profit model, because it emphasises social value rather than profit, and secondly creating value for a collective is more likely to happen in groups rather than by individual entrepreneurs and as a starting point challenges management literature which focuses so often on the individual. However, before considering management concepts in context, it is necessary to establish a socio-cultural understanding of community 'need', the philosophical stance taken in this research.

Communities, geographical or defined by identity, are established through social and cultural processes and often the levels of attachment to the community will determine the need for change and the capability for change. Equally the wealth of that community in terms of social capital, social mobility and economic circumstances can affect the degree of change that can be expected from within a community (Smith, 2013). Jack and Anderson (2002) consider a socio-contextual view of connected rural activity arguing that the entrepreneur relates to their environment and embeds within their community in order to leverage resources. Rural businesses were selected for their study, in which the importance of the business being embedded in the local social context is revealed. This translates into the idea that, by being lodged into the local structure over a period of time, the business can feed from the array of business opportunities that become available.

Embeddedness can be considered in the context of local rural community structures, which themselves have been attributed with loyalty, co-operation and balanced with socio-economic values (Downing, 2005). The overall idea suggests that embeddedness is based on an individual's actions as s/he lives: firstly, because of the social structure within which people create ventures; secondly, because desire and passion to create is pursued on an intrinsically motivated emotional level; and thirdly, because there will be an economic outcome, either positive or negative (DiMaggio and Powell, 1983; Giddens, 1984). Although evidenced in geographically located and community-based social enterprise, similar socio-cultural bonds are evident in a community bonded by disadvantage or illness yet located across regions held together through identity and commonality; they do not have to live together but their commonality of community 'need' is as strong as those who do (Edwards, 2002; Williams and Williams, 2011).

Despite strong bonds which create community 'need', too often there are barriers inhibiting social enterprise activity, reinforcing the suggestion that Enterprise Development Policy struggles to effectively touch urban and rural neighbourhoods. Notably, the breadth of policy approaches required to create any impact are key findings generated by Williams and Williams (2011) who concluded that the urban canvas was essentially a complex mix of socio-cultural and economic factors making it difficult to generalise at any level. Supporting this stance and from a rural perspective, Steinerowski and Steinerowska-Streb, (2012) argue that to assume rural and urban social enterprise are the same is a 'faulty' position and that rural social enterprises need to practise an 'adaptive capacity'. This current viewpoint emphasises the complexity of community 'needs' and how they 'gel' together and argues that the socio-cultural and economic position of 'need' is driven by the behaviours of those involved when faced with disadvantage, structural change, in-migration levels, knowledge creation and change. Thus the context is described, the canvas revealed upon which social enterprise is created, a complex background for any new venture to successfully navigate. Where there is background there exists foreground, and the foreground in relation to this

study is the internal management skills and practice of those leading and working in community-based social enterprise.

Often it takes a visionary individual, perhaps one affected through family or friendship, to step forward and lead a cause, particularly when faced by so many challenges. Strategic decision making and strategy formulation is considered a visionary process, often based on the intuition of a chief executive, and internalised by his or her own behaviour. By its very nature, it is deliberate in its vision and emergent in how the details unfold, and reflects a full knowledge of the organisational situation allowing for flexibility and adaptation because of the need for only one person to take the initiative (Druker, 1970; Mintzberg, 1973; Pettigrew, 1977; Mintzberg and Lampel, 1999). Yet social enterprise is faced with a collaboratively and cooperatively managed entity, thus challenging the fundamental framework of management concepts which is based on individual behaviour. The individual is therefore at odds in the social enterprise - where there needs to be a collective from the community, yet without a vision so often created by the leader - it is challenging to sustain a forward momentum. Stacey (1992). Beaver and Jennings (2005) point out that, were the theory of entrepreneurship to be put into practice, with so much emphasis on the power of one individual, it could have demotivating consequences within the organisation; in addition it places the burden for strategic development on one individual, and may therefore lead to a narrow, and for some individuals, a fixed vision. This contribution highlights the importance of the benefits of visionary leadership and the chief executive in the planning process in seeking out opportunities and committing the organisation to build courses of action in situations of uncertainty, but alerts us to the dangers of individualism and the challenge faced by communities as they create and manage their social enterprise.

In summary, we argue that context is inextricably linked with community 'need' and influences any subsequent social enterprise management to a degree that means generalisation and national policy will struggle to meet the needs of social enterprise that is created to serve the community or is created by community be it rural or urban. The following section presents the case study approach and then reports how key issues such as community needs, social mobility, leadership and management highlighted in six case studies influence the trajectory of each organisation.

Approach

Qualitative studies are excellent at offering insights to nuances that affect particular situations (Neergaard and Ulhoi, 2007). Despite this, qualitative work has limitations and often findings can be difficult to apply across wider groups (Yin, 2009). However, in this study it is the differences and similarities in contrasting contexts that are being considered and as such in-depth case studies are required to enable discovery. Three social enterprises were identified through referral, all in and around Glasgow, a major city in the west of Scotland. All three interviewees held management positions within the social enterprise and were previously known to the researchers. Identification of the rural cases and interviewees also entailed referral. In this instance, however, the researchers did not know the interviewees, and contact was made through a third party. The rural cases were located in remote locations. Scotland has a large area that falls within the classification of remote rural and includes the 790 Islands (see visitscotland.com) off the coast of Scotland. These three remote rural case studies represent quite different examples of the remote rural classification. One

was located in northern Scotland and provides services for communities, which are widespread across the north east. The second is on a mainland peninsula where access is only by sea or a long walking route. The third is an island-based social enterprise situated on the main islands off the west coast of Scotland. These cases were typically rural in terms of isolation and rural geography. Urban cases in contrast were typical in terms of access to services, skills and featuring central locations in highly populated areas.

All cases contacted were willing to be interviewed. Interviews were with Directors, CEOs or individuals with leadership roles in the organisation and lasted between two and four hours, with extensive company documentation being made available. The interviews were taped and then transcribed (Neergaard and Ulhoi, 2007). Analysis involved reading the transcripts and preparing accounts that captured context and details of their management functions. Researchers were seeking insights to those aspects of context that drove management practice. Table 1 offers a summary of the case study companies highlighting key points of each study.

Table 1: Rural and urban case studies

Case study	Summary
Rural Peninsula Case	*Context:* • A Scottish Highland estate • A new owner broke up the estate; high levels of in-migration • Early days involved funding applications • Professional advice followed to create trading subsidiaries • Two main social enterprises were created *Management:* • This period required extensive skills and high levels of adaptability. • At Board level individuals had different motivations and managing agendas was found to be challenging
Rural Island Case	*Context:* • Case originates from a conversation between a local estate and the crofting community over a wind farm circa 2001/2002 • There was an enthusiastic local response, and by 2004 it was up and running delivering various community services. *Management:* • Normally with projects 20-30 would turn up at the beginning and a sub group formed to take it forward. • A hard core of six people drove things forward. • The projects range from the local filling station, recycling to renewables each requiring a variety of skill sets. • Some jobs are advertised and able to employ local expertise in a range of roles. • Attracting personnel retiring to the area as well as reinvigorating long-standing islanders who feel passionate about the community.
Rural Sutherland Case	*Context:* • Genesis of this case study is 1992 and one individual involved in a restoration project. • Evolution involved a community group funded by the local council which recycled a variety of by-products and catered to environmental concerns. • There was extensive council involvement so everyone was paid but only one volunteer • It was this one individual who, being driven by a passion, took the enterprise out of council control and created a social enterprise. *Management:* • To move the project forward a job came up and the entrepreneur applied and was awarded the contract,

	• It was now a community project fully funded for 3 years. • After 3 years the project finished but the government stepped in through a new funding pot; and so it continued from one funder to the next.
Urban LTD Support Case	*Context:* • Started in 1994 bringing together two organisations, one based around service provision and local authority contracts and the other a campaign organisation. • Began as a charity but has grown over the years benefiting from ad hoc and incremental development in Government policy. *Management:* • Grew rapidly in the 2000s because of procurement contracts from Glasgow City Council. The majority of funding is now from local authorities through grants, and only 20% is from fund-raising and other business relationships. • Involved in the development of social enterprise companies which helps to fund projects and activities for sufferers. • Have a very active council, people from care homes, business people, local councillors, an MSP, fund-raisers and families affected by the disease. • A working group who help to support the charitable aspects of the organisation.
Urban Pro Case	*Context:* • Started in 1946 and aimed to help people coming back from the war who had acquired a disability and who had little chance of employment. • Early enterprises were in the knitwear industry; however, China was able to gain this market. • Now involved in a variety of industries, mainly, however, the manufacturing and assembly of packaging. *Management:* • Generates income from commercial activity and is able now to support over one hundred employee places. • The company is funded significantly, 70%, through commercial activity with a mission to improve equality of opportunities engaging with large companies for commercial opportunities. • Skills and knowledge gaps are around marketing and HR, and resources are the main barrier to developing or buying in these skills. • CEO had some training in these areas; however, the company relies on retired volunteers where possible and the skills gap remains.
Urban Inclusion Case	*Context:* • Company is 12 years old and has a turnover of around £4.5 million, much of which comes from local authority contracts • The company also has a small income from sharing their learning by way of training services. This is the social enterprise side of the business where the money is reinvested in the business or used to grow other businesses. • It exists to support people with learning difficulties or health problems who want to live independently in their own homes. *Management:* • Organisation assesses individual needs and provides bespoke services with the money allocated from social services. • When the organisation grows then the company uses its expertise to develop a second generation organisation. • A third generation company is being developed which is legally and formally part of the second generation company, but will separate when it becomes financially viable. • The company has no volunteers except the seven members of the board, who bring a variety of skills, particularly HR skills, which the organisation is short of.

The following section offers an account of each case study crafted from the transcripts and is a narrative in context containing insights to management practice in relation to context. Each case is

described in depth, highlighting cultural and social aspects as well as management practices and engages with key literature themes: community regeneration needs, social structures and management. Finally, case study findings inform discussion around why contextual nuance affects management practice in rural and urban landscapes, and conclude the section.

Rural Peninsula Case Study: The peninsula case study was the embryonic venture established in a landscape that had been a classic Scottish Highland estate and until the 1980s the estate was typical of rural architecture where land ownership extended to 55000 acres and included a vast number of buildings. The interviewee reported that a new owner at this time took an approach which involved breaking up the estate. This action was disruptive to centuries of continuity and led to in-migration, with incomers buying parts of the estate:

> "*It was a totally new ownership structure because you've gone from one person owned everything to suddenly, ok you still had some big owners owning big bits, but you also had little owners owning their house and garden like you have anywhere else*".

Arguably, when new owners set up a bed-and-breakfast venture the beginnings of enterprise on the peninsula occurred. Specifically, Patzelt and Shepherd (2011) discuss this form of opportunity recognition noting that individuals will react with sustainable opportunity recognition when their communal environment appears threatened. As more ownership was established, a hydroelectric service was created for the new owners, creating revenue streams; these are types of changes often recorded in rural farming literature ownership, tenures and decoupling practices (see Cheshire et al, 2012). Then a period of unsettledness followed with different landlords on the estate and a lack of direction. Community concerns led to formation of a collective foundation created to initiate a community buyout of what remained of the estate. There were about 70 people on the peninsula at this time with an active core of 20-25 people who wanted to bring about change. Through a great deal of effort £750 thousand was raised which purchased:

> "*16500 acres of land, 5 residential properties and a bunkhouse, a hydroelectric scheme, lots of old sheds, buildings, woodwork shop and garage*".

Although a great achievement, the new owners were deeply concerned over the new assets and described them as *'liabilities'*. The reality was that they now needed to organise themselves and manage the new entity along with a degenerating asset base. Despite having a business plan, the mountain facing the organisation which had to be climbed was enormous:

> "*it was a business plan that worked to get us the funding and it had a lot of useful information in it but it had to make so many sort of suppositions that it had to, well you know, best guess and best stab in the dark*".

Appointing people to posts required networking efforts with a number of agencies to apply to for funds, all requiring investment of time from unpaid volunteers. Professional advice followed to create trading subsidiaries to lessen risk and protect the various enterprises.

The organisation continues to grow but this is complex management navigation: a charity board and three separate trading boards. Managing the trading ventures traverses a number of sectors and skills, butchery, t-shirts, tourism, renewables: an extensive and testing portfolio. With no access to

this location by road, visitors either sail or walk, that means marketing efforts in and by the community are about making the area a tourist destination:

> "it is income driven we can make more money but it's also about ...local products and local people".

Income generation is from local trade, meaning external visitors, tourism and the like are essential to the micro economy.

Rural Island Case Study: This case originated from a conversation between a local estate and the crofting community over a wind farm circa 2001/2002. By 2004 the local community had proposed that a Trust of some sort should be formed, the point being that if money was going to be made then it should be diverted back into the community. There was a huge local response, a good deal of enthusiasm and by 2004 it was up and running:

> "we then rounded up launching this Trust by then having had sort of various community discussions with a whole tranche of things you know that could be done. Tourism. New bus routes. Care for the elderly all sorts of ideas bubbled up and there were a set of directors of you know whatever eight directors or so and it all got going".

Normally, project development would involve 20-30 people at the beginning and a sub group formed to take it forward. But the steering group has got smaller and now a hard core of six people drive things forward. The projects range from the local filling station, recycling to renewables, each requiring varied skill sets. As in the previous case, Pazelt and Shepherd's (2011) position on sustainable opportunity recognition holds true in this island based case. Some jobs are advertised and able to harness local skills. It is also attracting personnel retiring to the area as well as reinvigorating long standing islanders who feel passionate about the community, a point on identity and older adults well established by Bailey and Biggs, (2012). It seems opportunities have presented themselves where economically challenged activities such as the post office are present with a vested interest for everyone. The community is able to notify priorities and seek pockets of funding. That said, the Trust thinks it will take ten years before they can make money and so it is important to continue to apply for funding. However, the organisation proposes that they:

> "bring people together and without that there would be the landowner here and with a view to developing but there would be a bit of a vacuum in terms of how do you identify local priorities and make sure that what's being planned is sustainable and you know there's a challenge there".

They say mistakes were made and they found it difficult to work out what they really needed in the management skill set. The community, however, is vibrant and much more employment has been generated creating a less fragile community.

Rural Sutherland Case Study: The genesis of this case study was 1992 and one individual involved in a restoration project. Thereafter the organisational evolution involved a community group funded by the local council which recycled a variety of by-products and catered to environmental concerns. But the project struggled:

"It would go up a blind alley and all you'd do is get angry and so you'd say to them 'eh well excuse me have you identified any sort of business opportunities in the area'".

Particularly, commercial view points and risk provided key problems. The interviewee reported:

"I remember the first meeting the only thing they seemed to be interested in was to making sure there was no biscuits left on the table', (So to make the project move forward a position was created.) *'And we got funding and were ready to go in a year and at the very last minute for other all sorts of reasons I decided that what I'd do was resign my chair and apply for the job".*

It was now a community project fully funded for three years, had entrepreneurial leadership with government funding secured for a period. The essence of organisational evolution had been cycles of business reinvention as the collective desperately tried to source sustainable opportunities:

"And then and then the government came along and rescued us again you see the way we work the way it works is that if somebody sticks a funding pot up we'll have a shot at it".

The organisation continues to trade and employs those in need of employment in the local area. The group and leadership are particularly creative and handle risk well and constantly seek opportunity;

"So that in the pipeline there's a funding bid to make bio-diesel so that's a development see that's the sort of development that's coming up we got bio-diesel coming along we can add that to the material we collect".

Their development has involved creative morphing from one shape to the next and so on as different funders have been found and applications made under the various and differing requirements. What has remained is the tenancy of one particular individual, the original volunteer who became the visionary entrepreneur, and now the organisation is succession planning and that success is based on self-reliance. Less evident in this case has been communal and environmental drive to seek sustainable opportunity and interdependency which was so evident in cases where land and local ownership were integral to the creation of enterprise (Pazelt and Shepherd, 2011).

Urban Support Case Study: This organisation was launched in 1994 bringing together two organisations, one based around service provision and local authority contracts and the other a campaign organisation supporting people and their families who faced a degenerative illness. The interviewee commented:

"We have kept the service provision quite separate and have emphasised the policy development campaigning side bringing together service users, carers and family to represent the views of people in Scotland who have the illness".

This organisation began as a charity but had grown over the years benefiting from ad hoc and incremental development in Government policy over the years. The organisation grew rapidly in the 2000s through procurement contracts from Glasgow City Council. The majority of funding now came from local authorities through grants, and only 20% from fundraising. The company has since grown, developing relationships with large companies who have been generous in their financial support. Senior management realised that the company had to move away from reliance on local authority

funding; the plan being a shift from statutory funding to enterprise and trade activity. The company has been influenced most by the ageing population and by European legislation on procurement as well as Scottish Government policy on the illness. The commercial activity is procurement and services and any surplus money is reinvested. The plan is to reinvest money to develop social enterprises, which in turn can generate income for the company. The interviewee commented:

> "the vision and mission of the organisation is to ensure that no one lives through this illness on their own, including their family and carers".

The aim is that people with the illness can have choice and control in their lives, in accordance with the Scottish Government's self-directed support bill, and whilst still being assessed by the local authority, they can purchase their own care package (Self-directed Support Scotland Act 2013). The organisation acts as a lobbying body. The first success was in 2008 when inclusion for recognition and diagnosis of the illness into GP targets was achieved, thus improving the number of people identified as having the illness and improving early detection. This is probably the most fundamental change to the organisation.

The organisation had a fairly new Chief Executive who was actively involved in the development of social enterprise companies, for example the development of a café so that carers and sufferers can meet once or twice a week as well as seeking out new and novel methods of financial donation such as leaving envelopes on tables in restaurants and asking people to donate one pound at the end of their meal. They have also accessed Big Lottery Funding. The chief executive is forward looking and very involved in strategic initiatives and the organisation continues to have a very prominent position with the Scottish Government. The interviewee commented:

> "we are practically partners in instrumenting new strategy'. (It was felt by the interviewee that their strength was the staff members who) "are incredibly loyal and are a huge asset".

The interviewee proposed that that this may be because the organisation is a charity and the focus of the company is on care; they also invest as much as possible in staff training and development taking account of the latest research into caring for people suffering from this illness. In terms of commercial skills and knowledge, this was being addressed within the development team. The organisation does use external consultants mostly funded by the Scottish Government as well as funding based around social enterprise development.

The company has a very active council, people from care homes, business people, local councillors, an MSP, fund raisers and families affected by the illness. There is also a working group funded by Comic Relief who have produced materials highlighting the support available and helping to back the charitable aspects of the organisation. The organisation has developed an International Committee looking at international policy, and often experienced retired people become involved voluntarily, offering valuable business advice.

Urban Pro Case Study: This organisation started in 1946 with the aim of helping people coming back from the war who had acquired a disability and little chance of employment. The company originated from a group of four who decided to use their business contacts to ensure some sort of employment for these people. There was very little state welfare provision at that time and very little employment opportunity for those injured in the war. Early enterprises were in the production

of knitwear; however, this has become a highly competitive industry dominated by Chinese companies who are able to manufacture at lower costs. Ultimately, it became impossible to compete on price at a similar quality. The company is now involved in a variety of industries, mainly the manufacturing and assembly of packaging. The company does not discriminate and recruits from across the spectrum of disabilities, anyone who is disadvantaged in the labour market. The company does rely on supported places from the government; but, it increasingly generates income from commercial activity and is now able to support over one hundred employee places as well as demonstrating social return on investment in a pilot study with the local authority. Some of the employees with learning difficulties live with elderly parents or live on their own. The interviewee commented:

> "They enjoy going to work, which can be witnessed by the relaxed atmosphere within the organisation".

The company is funded almost entirely, 70%, through commercial activity. The company mission is to improve equality of opportunities and they engage with large companies for commercial opportunities, i.e. IBM, Everton and Standard Life, and gained an Enterprise Solutions award for company activity. The management team are ex-commercial employees and have been employed in various sectors including whisky, plastics, electronics and computers and who believe that social enterprise organisations need to be sustainable (Patzelt and Shepherd, 2011). Having found a niche therefore, in packaging production and assembly, the company have recently diversified into call centre activity. These activities have low margins but as a niche operator the company can offer a high quality service. Organisations like the business model that is being offered and feel that it contributes to their corporate social responsibility. Surplus money is reinvested in the organisation to sustain developing projects. The Chief Executive proposed:

> "This is a business model that could be applied within any business organisation. The aim is to get people back into mainstream employment; however, many will not leave the organisation and the company can always redeploy workers when necessary".

The company now has a mature management team who have been employed for over seven years. The main aim of the business is to protect jobs and try to make a profit/surplus whilst embracing innovation and change. The CEO believed that the organisation had grown around enterprising personalities where ideas from any level of the organisation were welcomed. Skills and knowledge gaps were identified in marketing and human resource management, and financial resources were the main barrier to buying in these skills. The CEO had some training in these areas; however, the company relied on retired volunteers where possible and the skills gap remains.

Urban Inclusion Case Study: The inclusion case study company is 12 years old and has a turnover of around £4.5 million, much of which comes from local authority contracts, or where individuals use their own money to buy the company care services. The company also has a small income from sharing their learning by way of training services. This is the social enterprise side of the business where the money is reinvested in the business or used to grow other businesses. It exists, the interviewee proposed:

> "to support people with learning difficulties or health problems who want to live independently in their own homes".

The aim would be that people become able, where possible, to withdraw from these services as they become more independent. The organisation has 45 clients who receive care support. The organisation treats clients as individuals, assesses their needs, provides bespoke services and keeps the money which is allocated from social services in a pot for that person. The family and client then make decisions about how the money will be used. Most of the money is spent on staff costs and some goes into central services. Some money is put into insurance so that, if a staff member is ill, the company is in the financial position to be able to cover the cost of replacing them during that time period. When the organisation grows then the company uses its expertise to develop another organisation. The Director reported:

> "this type of organisation is able to offer better value to clients; nevertheless, some people are of the opinion that this type of organisation is too small and cannot replicate the services of a larger organisation".

When this organisation becomes financially viable then the Directors operate it as a separate company. The case study company is a second generation company and, at the time of the interview, a third generation company was being developed which is legally and formally part of this company, but will separate when it becomes financially viable. Under this business model support staff are shared; however, the 2nd and 3rd generation organisations are branded as different entities. The company has paid staff members and does not rely on the services of volunteers, although the seven members of the board are volunteers, and they bring a variety of skills particularly HR skills, which the organisation is short of. Two of the members are parents of the people supported. The organisation also has four directors: Finance Director, Aid Director, Project Director, and the interviewee was a Service Director. Information Technology services are provided by another organisation. Key advances in the organisation are the result of procurement contracts issued by local councils allowing companies such as this to support people on the basis of niche, targeted services for individuals as directed by the Self-directed Support (Scotland) Act, (2013) which pursues the personalisation in care agenda. The organisation did not carry out any marketing and their website was in need of work, although one client with special needs was helping with social media. Over the past few years the organisation had identified IT and marketing skills gaps and had filled these through recruitment and training.

Dependency and interdependency

The results of the case analysis identified the extent of community dependencies and interdependencies. Specifically, the rural cases demonstrated their inextricable linkage between where they were (their remoteness) and who they were (their community identity) (Bailey and Biggs, 2012; Kuehne, 2012; Gosling and Williams, 2010; Hindendrad and Hennon, 2005). In these rural studies, the socio-economic history underpinned the social enterprise business opportunity. For example, in the case of the Highland estate transformation, a period of unsettledness with different landlords and a lack of direction, led to the formation of a collective 'Foundation' created to initiate a community buyout of what remained of the estate. These were all small communities, dependant on the actions and interactions of those living and working within the area to sustain and develop employment and well-being through local enterprise. Notable in the rural case studies was interdependence and a need for sustainable, co-operative and collaborative effort as opposed to

individualism (Patzelt and Shepherd, 2011) where social enterprise models offer a socio-economic solution (Dacin et al 2011; Santos, 2009). These were local businesses being run for local people.

In comparison, the features of the urban case studies, those of an employment and manufacturing organisation for disadvantaged adults and two organisations who provide care for adults with long term illness or disability, are less about geography driving a common need and benefit and instead their social or wellbeing commonality. The community in these cases is defined by the social purposes of the business, by their health or disadvantage thus forming a group identity. Specifically, the urban cases demonstrate how individuals or groups of individuals will work or lead for the benefit of a community that they are not necessarily a part of but with similar commitment and enthusiasm to improve the lives of others, as opposed to communities socially and economically transforming themselves (Smith, 2013). In the urban cases, there was less need for collaboration and more need for consultation with stakeholders within the restraints of government policy (Williams and Williams, 2011). The community in these cases had less direct involvement in the evolution and running of the company. This was shaped to a greater extent by policy and led by individuals with a record of business development and leadership.

Leadership and skills shortages

The remote rural cases in the sample were led by incomers or in-migrants, individuals attracted to the area either through job advertisement or a desire to live in that area. The leadership perspective introduces an interesting phenomenon within these cases, specifically the issue around leadership skills and capability available within communities (Mintzberg and Lampel, 1999). Linked to this is the acceptance by locals of incomers running a community-based activity. Often in social studies, narratives feature struggles between local people and incomers, surrounded by issues of trust and belongingness; however, in these cases, local people have recognised the value of leadership brought forth by incomers and most have accepted their presence (Bailey and Biggs, 2012).

In terms of the urban cases, there was no shortage of strong and experienced leadership and, because of the nature of commerce, incoming leadership was not an issue. The pool of leadership expertise and accessibility enables recruitment and selection of experienced leaders with skills and social enthusiasm appropriate to the particular enterprise (Stacey, 1992; Beaver and Jennings, 2005). Leaders in these cases did not emerge from the community itself, they were external to the community they served. Urban location had resulted in experienced appointments that had driven the businesses forward in an effective and productive manner.

There were knowledge shortages in the rural case studies, particularly in terms of grant and loan applications as well as new technology application i.e. the hydroelectric scheme. However, in terms of skills shortages, in-migration once again features, particularly in the island case study where enterprise activity attracted retired incoming members of the community (Steinerowski and Steinerowska-Sreb, 2012). In summary, rural cases tended to show how important in-migration is to the community and how incomers are accepted when they bring socio-economic value (DiMaggio and Powell, 1983; Giddens, 1984).

In contrast, the urban phenomenon featured employment mobility and availability; however, skills shortages did exist as a direct result of funding deficits. There were no skills shortages in terms of client/service needs as these were provided in two cases through procurement of social care. Skills shortages tended to manifest in supporting business roles, for example in IT, marketing and HR, leading to gaps in business development beyond the provision of care services.

Institutional funding relationships

In two of the rural case studies, community assets formed the basis of the business social enterprise, and brought not only assets but liabilities. In one case the community were left with a building that required substantial investment before it was fit for any purpose. This feature of creating social enterprise from community-owned lands required specialist advice on business formation and opportunity that avoids the burden of liability for valueless elements of the purchase and improves the potential of sustainable business trade (Patzelt and Shepherd, 2011). The same two rural studies required specialist expertise to prepare grant and funding forms. Interestingly, these rural cases have achieved some level of income generation through trade which has decreased their dependency on grants and loans. The third rural case study presented a business life cycle that started as a fully funded community project and morphed several times until becoming a sustainable trading company, still attracting an element of grant and loan funding.

Two urban case studies were heavily dependent on procurement contracts for social care, provided by local authorities. These companies were aware of the need to generate income in order to protect themselves from possible withdrawal or decline in government funding and to be able to offer further services to the client group; however, tight budgets and lack of business skills had hampered these ambitions. The third urban case study was only 30% dependant on local authority funding. This was a result of pro-active commercially focused leadership. This, however, is a long-standing, early post war company which has actively pursued a business model releasing them from grant funding and positioning them in a marketplace (Patzelt and Shepherd, 2011).

In summary, findings clustered around three key areas: the first was the idea that context and community need were one and the same for the purposes of creating a social enterprise. Secondly leadership and skills were defined as key foreground issues, highlighting apparent differences between cases and specifically between the geographical communities and the non-geographically based communities. Finally, the third key finding was the relationship with funding across the life cycle of the social enterprise and the interdependencies with those who in-migrate and identify as either being part of the community or as a leader taking forward a cause, and as a member of that community with a desire to lead change.

Conclusion

The paper argues that context shapes the community and social enterprise efforts to a degree that means generalisation evident in current national policy will struggle to meet the needs of rural and urban social enterprise (Scottish Government, 2007; Scottish Government, 2010). The findings reinforce the concluding statements by Steinerowski and Steinerowska-Sreb (2012) who articulate that benefits are to be gained from specific and targeted rural social enterprise policy initiatives for rural areas. Moreover, Williams and Williams (2011) acknowledge the raft of policies that affect

urban areas arguing for them to be holistically considered in terms of how urban barriers to entrepreneurial activity are tackled. In summary, our findings in conjunction with these previous studies place new emphasis on what might be required to support community 'need' led social enterprise.

Discussion around rural and urban case studies does begin to shape our understanding of the challenges the context of community 'need' brings, and its varied socio-cultural architecture which subsequently impacts management decisions. Particularly it was evident that community can be shaped by geography, as was the case in two rural cases, or 'any' commonality irrespective of location, as was the cases in the urban studies. Indeed, it is the commonality of need that forms a community and each case study presented a range of needs; but conceptually, interdependency brought about by those needs offers interesting socio-economic insight, and highlights the need for further research into the connections between community needs and Social Enterprise Policy, Rural Development Policy, Equalities, and Urban Regeneration Policy. The number of policy approaches impacted by social enterprise is a point not missed by Williams and Williams (2011). Indeed, how can this raft of policy converge in any meaningful way to effectively shape the support offered: the forthcoming research question?

On the whole, communities in the rural cases exhibited a positive behaviour in relation to inward mobility of people. In other words, incomers were accepted when they clearly brought with them a benefit and value to the common good; in all cases individuals who came forward to lead the enterprise were not native to the community geographically. Most notable in urban cases was the observation that leaders were not necessarily members of the community i.e. did not share any disadvantage. Effectively, the perceived value of the individual became evident as being important in the management and leadership of social enterprise. Taking this into account, skills shortages affect both rural and urban cases, specifically skills in the areas of social enterprise creation and leadership, business management, and funding/income generation. These are key skills essential to social enterprise and an area where more general public policy might indeed provide effective interventions.

Evident in these studies is the defining commonality of each community being served thereafter, it is the generation of value and benefit for 'that' community and the shaping of management functions that deliver sustainability. This means that context and therefore commonality of need of the community, irrespective of being rural or urban, is a key factor for management decision making. This trajectory suggests, therefore, that national policy is at risk of marginalizing geographically specific groups and regional policies will fail to capture the geographically fragmented community. A community focused needs-benefit stance, recognising the variances that exist across communities and served by social enterprise, may offer policy makers a basis for future strategy aligned with mechanisms that enable convergence of community relevant policies.

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