




Designing organisational effectiveness in social entrepreneurial enterprises



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Background: Fundamental principles that encourage problem solving are included in the intersection between design thinking and systems thinking. In this study, we examined if these principles contribute to the nature of organisational effectiveness (OE) in the context of a social enterprise.

Aim: The objective of the study was to explore the nature of OE in social enterprises.

Setting: This exploratory qualitative study investigated the OE of social enterprises in South Africa.

Methods: A three-phased Delphi method was conducted by a panel of experts.

Results: Our findings indicate that the principles for the OE of social enterprises include, in particular, good, just, and useful services and/or products, as well as a satisfying human experience. In the context of a social enterprise, OE is therefore about the mission and resources of the enterprise. The enterprise can be viewed as making an impact when satisfying human (community and/or beneficiary) needs through useful products or services designed for good, and when promoting just relationships among and ethical conduct by all stakeholders.

Conclusion: The framework or principles for social enterprises' OE may be used to guide leadership, governance of resources (such as finances), and training in solving 'wicked problems' in such ecosystems. It is recommended that social entrepreneurs also apply the framework.

Contribution: This paper offers four principles that are applicable when systems thinking overlaps with design thinking to guide the OE of social enterprises.

Keywords: design thinking; organisational effectiveness; systems thinking; social entrepreneurship; wicked problems.

Introduction

Organisational effectiveness (OE) and how it is attained remain vague (Cameron & Whetten 2013:3) in research on traditional businesses, but also in social enterprises, which emerged as a more recent organisational design. A social enterprise is unique in organisational design because of its twofold mission (Cornelissen et al. 2021:1294; Reiser 2010:105). Social enterprises' primary focus is meeting societal needs, but they simultaneously engage in business practices aimed at financial sustainability (Lee 2020:66). To understand the nature of OE of social enterprises, a view of the underpinning theories used to contextualise social entrepreneurship as a discipline is a relevant starting point.

The Schumpeterian viewpoint holds that any field in entrepreneurship (incl. social entrepreneurship) can be viewed from a change agent perspective (Schumpeter 1934). This implies that social entrepreneurship, in particular, can be defined as a field that promotes change for social good (Rahdari, Sepasi & Moradi 2016:349). One could therefore argue that social entrepreneurs are designers of social change. The perspective of design thinking has been applied in the social entrepreneurial realm (Jung 2021:50; Kummitha 2018:93). Design thinking offers principles that underpin a higher order of thinking that could guide social change through the application of certain principles that are used to solve open complex problems typically faced by social entrepreneurs (eds. Durkin & Gunn 2016:55). The relevance of design thinking principles may depend on the kind of problems faced, and may even determine the effectiveness of such problem solving.

Solving open complex problems, what Buchanan (1992:15) in his earlier work refers to as 'wicked problems', requires skill and effectiveness. A wicked problem, in the current study, is one in which the problem shifts with every step taken to solve it, in line with the view of Von Thienen, Meinel and Nicolai (2014:97) and Kummitha (2018:101). In other words, the problem might start as an issue of poverty, but, while attending to the poverty needs of a community with financial aid from an external source, a new problem in the form of dependency is created if the problem of job creation is left unsolved. Wicked problems are especially evident where deep-level changes in environmental and socio-economic systems are required (Vogel et al. 2016:515). Such issues are often prevalent in, although not exclusively, developing contexts such as South Africa.

Problem statement

The problem is that, in South Africa specifically, there are very few guidelines for the social economy in terms of how to manage it in an effective way, and what requires attention. Therefore, OE is a central construct, and may be important in meaningful engagement and the management of systems within and outside of a social enterprise. In this regard, the view of Diochon (2013:306) was adopted in this study, namely that OE entails meeting the needs and goals of critical constituencies – change agents and beneficiaries – in an entrepreneurial manner. A social entrepreneur or policy maker in such a context, therefore, has to carefully evaluate each move towards solving the open complex problem within the particular context, bearing in mind the long-term impact. Such long-term impact could be evaluated in terms of, for example, what and how social good was yielded for the people whom it was supposed to empower and uplift (Dentoni et al. 2018:335; Mor Barak 2020:139). This implies that the social enterprise's effectiveness is also implicated in considering solutions to wicked problems. However, guidelines around what effective problem solving entails within the social economy are lacking, indicating, as a starting point, a need to explore constructs that could guide OE.

Research aim

The aim of this study was to explore the dimensions of OE within a social enterprise, using a Delphi method in a qualitative approach. This study is the first phase of a larger study on OE in social enterprises. This paper commences with a literature review on OE, followed by a discussion of design thinking, with a focus on how this lens may contribute to solving wicked problems (open complex problems) in the social entrepreneurial context. The discussion of methods and materials is followed by the findings, a discussion of the findings and conclusions.

Literature review

Organisational effectiveness and the social enterprise

Organisational effectiveness is the degree to which organisations attain their goals (Douglas, Rogers & Lorenzetto,

2014:570). There are, however, also other perspectives. A system resource perspective views OE as the ability of an organisation to mobilise scarce and valuable resources (Bryan 2019:888; Yuchtman & Seashore 1967:898), whereas the goal approach is internally focused and relates to organisational ends. The systems approach considers the organisation's adaptation to its surrounding environment and how it mobilises resources from this environment; thus, it relates to organisational means. To mobilise resources, organisations need to enjoy good relations with constituencies who possess the required resources. In recognition of this, some scholars have developed the strategic constituencies approach, whereby OE is assessed against the needs of the organisation's constituencies having been met (Pfefer & Salanick 1978:2). According to an internal process approach, organisations are effective when their internal processes run smoothly and in alignment with the organisational strategy (Nadler & Tushman 1980:39).

Scholars are increasingly recognising innovation as a key capability of effective organisations (Tayal et al. 2021:835). Sparrow and Cooper (2014:3) suggest that organisations are effective when they can attain strategic outcomes such as innovation. Organisations are also considered effective when they proactively accept new ideas and adopt new modes of operation. Related to this, organisational agility has been linked to OE (Holbeche 2018:305).

Notably, meeting organisational goals in an innovative way can also attain effectiveness in social enterprises. Diochon and Anderson (2009:12) offer a process perspective of OE applied to social enterprises, proposing that effectiveness of social enterprises relies on the organisation dealing with social problems in an innovative manner and maintaining self-sufficient operations, where internal processes are aligned in order to foster entrepreneurship. Effectiveness is likely to be judged subjectively, considering that different constituencies will have differing views about whether their needs and goals are being met by the enterprise; yet, innovation seems to be a key aspect, and probably increasingly important in resource-restricted times.

Typically, the goal of a social enterprise is to alleviate social, economic or health problem in society (Liket & Maas 2015:268). Whereas the main portion of funding of not-for-profit entities emanates from external entities such as government and donors, social enterprises obtain their funding from revenue generated through their internal operations (Young 2017). Social enterprises treat the problem as an entrepreneurial opportunity, and they design a business model (Bonomi et al. 2020:471; Qastharin 2016:629) around this to generate their own revenue while addressing the issues. This may involve social enterprises adopting an entrepreneurial strategy to devise innovative ways to design organisational processes. Although they may replicate the business models of entrepreneurs who have successfully tested them before, these earlier innovations are still fresh, and are thus accompanied by uncertainty. Those who

replicate them still need to tolerate the adaptability that accompanies these new models. For example, the beneficiaries that social enterprises target may themselves adapt to the unorthodox solutions being provided, such as a small payment or having to work. The uncertainty of whether a business model can sustain itself over time remains a key concern for social enterprises. To operate in this manner, organisational processes are designed to be less bureaucratic, and are staffed with skilled individuals, to make the enterprise highly adaptable to changes in its environment. Ultimately, because of this entrepreneurial strategy, social enterprises' effectiveness manifests as high adaptability, innovation in goal achievement, and an increase in resources (Diochon & Anderson 2009:21).

From the above, it seems that innovativeness and adaptability are key features of social enterprise effectiveness while solving complex problems. Therefore, it is argued that one needs to consider approaches to enhance innovation and adaptability in dynamic times. A pragmatic philosophy to guide approaches to innovation and adaptability in social enterprises is design thinking (Douglas et al. 2014:2).

Viewing social enterprise effectiveness from a design thinking perspective

Chick and Micklethwaite (2011:55) note the importance and relevance of social innovation through design thinking as a method to work towards solving open complex problems or 'wicked problems'. It is important to note that the outcomes (in this study, social innovation) of design thinking may be on different levels, varying from concrete (such as physical products) to abstract (such as communication, strategy and systemic integration) (Buchanan 1992:6). The focus here is thus applying principles to processes and procedures of design decision-making, rather than product- or commercial outcomes.

Design thinking can be summarised as a way of thinking to solve problems, and involves not only thinking, but also doing while thinking (Kremel & Wetter Edman 2019:166). For this reason, the thinking must be very strategic (Diderich 2020:13; Knight, Daymond & Paroutis 2020:30), and is not just about experimentation. This strategy and thoughtfulness may be particularly important in social entrepreneurial contexts where the people are involved and effectiveness is measured in terms of impact on society (Umar et al. 2020:2). Societal impact or socially innovative outcomes may result from systematic interaction, or even though design thinking that is less linear (Dorst 2011:522; Yu, Yue & Halling 2018:135).

Systems theory and its applicability to organisational effectiveness

Systems theory has been applied to many transformative projects that have a goal relating to a positive social impact in society, and requires systems thinking (Paliwal, Niyogi & Chaturvedi 2019:2694). Systems theory holds that a system functions through a process, and that it is defined by its

interconnected structures (input, transformation, and output and/or outcome). It has feedback loops and a flow, which shape certain behaviours in the system (Kalvesmaki & Tulman 2017:173). To change the outcome of a system requires an understanding of its structure and the behaviours that occur within the system (Meadows & Wright 2008:2). It could, therefore, be argued that social enterprises operate as systems in order to attain their goals. In this regard, their effectiveness may, at least to some extent, be linked to such attainment. The important thing is to understand that systems thinking has a definite pattern, while design thinking might require several iterations and the skipping of steps.

An important principle in terms of systems is therefore structure (pattern). In this regard, Clark and Zhang (2017:790) place emphasis on parameters or boundaries of systems when they state that: 'No organism or living system could survive for long if it felt, or had to process, all environmental irritations'. Systems thinking may, therefore, have some applicability to open complex or wicked problems, which social enterprises often have to solve. However, a social system should have some form of self-regulation (Valentinov 2014:387). What exactly this means in a social enterprise in terms of its effectiveness is unclear. Because social enterprises with open complex problems or wicked problems operate in open systems, the boundaries of the system are 'looser' than those of a closed system. For example, there might be an overlap between systems- and design thinking in solving the wicked problems of social enterprises. In this study, the argument is made that, in a study that explores the dimensions of OE of social enterprises, a conceptual starting point is important. A conceptual starting point may be the overlap between systems thinking (central to effectiveness in terms of goal attainment) and design thinking (important for solving complex problems in an innovative and adaptable way), as these are not separate processes in the context of a social enterprise.

An overlap between design- and systems thinking for social enterprises

Richard Buchanan, a thought leader in the philosophy of design thinking, points out that there are common elements to systems- and design thinking. Systems thinking may not be exclusive of design thinking. Although it is often viewed as more structured (Clark & Zhang 2017:787) and hence more associated with management as opposed to the creative fields (where design thinking may be more naturally applied) (Dorst 2011:522), the two ways of thinking may overlap in some contexts. These overlaps in thinking to solve problems can create some common principles in terms of designing for social change, namely:

1. designing for good (affirming the proper place of human beings in the spiritual and natural order of the world)
2. designing for just (supporting equitable and ethical relationships among human beings)

3. designing to satisfy needs (efficient in meeting physical, psychological and social needs of humans) and
4. designing useful product and/or services (supporting humans in the accomplishment of goals and/or intentions).

One could argue that a social enterprise may fulfil its purpose through some or all these aspects in designed and/or intentional systems; hence, the OE might be strategically set up to contain one or more of these principles. As such, the OE requires at least some elements of design thinking to solve wicked problems when Buchanan's (2019:109) principles are applied in an innovative way. Nevertheless, whether and in what way the nature of OE in the context of social enterprises involves these principles are yet to be explored empirically. The aim of this study was, therefore, to explore the dimensions of OE in social enterprises.

The next section details the research methodology of the study.

Research methodology

Research approach

This study followed a qualitative research approach and an exploratory design.

Study setting

The study was based in South Africa, which is currently viewed as a developing country. South Africa is regarded as 'one of the most unequal countries in the world' (Stats SA 2020:32). According to the Palma ratio, the wealthiest 10% of the population spent 6.89 times more than the poorest 40%

(Stats SA 2020:34). South Africa faces what is described as a 'three-fold [wicked] problem' in the form of inequality, poverty and unemployment (Meldrum & Bonnici 2018:148), which are socioeconomic disparities commonly addressed by the social enterprise economy.

In the current study, 12 experts were purposively selected, but only 9 consented to participate. The participants were purposefully selected as they had the required expertise in social entrepreneurship to provide various viewpoints and perspectives so that various dimensions of OE could be explored. The Delphi method was applied, whereby three rounds of sequenced questions posed to the panel, until consensus was reached, as recommended by Skulmoski, Hartman and Krahn (2007:11).

Sampling and participants

The expertise of the participants and/or experts was used as the inclusion criterion, specifically (1) experience in the local emerging social economy in business, industry and academia, and (2) a specific role in a professional capacity in influencing the development of the ecosystem. The experts' knowledge and expertise are indicated in Table 1, illustrating each participant's role and involvement in the social economy.

Data collection and analysis

The Delphi method was applied to collect the data for this study. The Delphi method is a qualitative method often used to collect data anonymously from a group of experts (Sekayi & Kennedy 2017:2755; Brady, 2015). The Delphi method is a

TABLE 1: Overview of the experts that were purposively selected as participants to ensure that they had the required expertise in the field of social entrepreneurship to provide various viewpoints and perspectives.

Expert	Credentials	Areas of expertise
E1	Professional social worker, training consultant and social entrepreneur	Development and support <ul style="list-style-type: none"> • As a social worker, has experience working with third sector and social enterprise companies • Has a registered non-profit company • Works to strengthen the social enterprise ecosystem by creating social-enterprise-specific social networks, and provides training and support for social entrepreneurs
E2	Business growth specialist, and director of a consulting company	Development and support <ul style="list-style-type: none"> • Business development consultant • Provides mentorship for social entrepreneurs identified through a social innovations awards programme
E3	Programme manager for an international development agency	Development and support <ul style="list-style-type: none"> • Allocates various resources based on need, to support the growth and development of social entrepreneurs • Focuses on youths and social enterprises in the creative industry
E4	Lecturer and research fellow at a South African university	Higher education and training <ul style="list-style-type: none"> • Research fellow at a centre for gender and Africa studies • A faculty member lecturing social entrepreneurship in a Master's programme • Provides input on policy development for the social and solidarity economy of South Africa
E5	Senior lecturer at a South African university	Higher education and training <ul style="list-style-type: none"> • Faculty member and senior lecturer in social entrepreneurship • Initiated a network for academic scholars in the field of social entrepreneurship; co-ordinates scholarly conferences to advance the area of study in South Africa • Supports and provides input on policy development for the social and solidarity economy of South Africa
E6	Director: South African partnerships for a social entrepreneurship training academy	Development and support <ul style="list-style-type: none"> • Provides resources for training and business development for social enterprises in South Africa
E7	Executive director of a foundation of a top 100 multinational beverage company	Development and financial support <ul style="list-style-type: none"> • An executive director managing a financial portfolio to invest in social enterprises that demonstrate social innovation • Portfolio includes funding, training, business development and support to benefit women and youths, people in rural areas, and people with a disability
E8	Executive director of a university-based digital innovation precinct	Development and support <ul style="list-style-type: none"> • Experience in managing a social innovation hub providing business development support • Currently in a digital innovation precinct providing incubation and commercialisation services with the aim to realise African digital innovation for global markets
E9	Executive director of an investment foundation	Development and financial support <ul style="list-style-type: none"> • Previously lectured at a university on social entrepreneurship • Currently manages a financial portfolio taking a holistic approach to entrepreneurship development

E, expert.

qualitative method often used to collect data anonymously from a group of experts (Punch 2013). It is an iterative approach that is used to facilitate problem solving by a panel of experts in a specific field (eds. Linstone & Turloff 1975:3; 2011:1712). The Delphi process creates an opportunity to draw from the collective experience and knowledge of selected experts (Rowe & Wright 2001:125–126; Belton, MacDonald, Wright & Hamlin, 2019), which enhances the quality of the information gathered (Devaney & Henchion 2018:3). The Delphi method is commonly used to obtain reliable opinions and consensus from a panel of experts, in this case, a panel of social enterprise experts selected to shed light on a complex construct and, in particular, what its various dimensions entail. Thematic analysis was employed to see if patterns and similarities or differences in opinion were formed among the panel of experts.

Findings and discussion

We explored the nature of OE in a social enterprise. Table 2 shows the categories of data according to social enterprise outcomes: (1) goal attainment and (2) use of resources. Participants took a broad view of resources as including leaders, employees, income, stakeholders, operation, product or service and community and/or beneficiaries. Goal attainment was viewed simply as the mission of the enterprise.

The participants then provided descriptions of effectiveness in goal attainment and the use of resources (see Column 1 in Table 2). For example, participants emphasised that social enterprises balance their social mission against their business case. Participant narratives around this concern mention

TABLE 2: Dimensions of organisational effectiveness against design principles.

Indicators by participants Buchanan's (2019:101) design principles	Sub-dimensions of OE by participants
<i>Balance between social mission and business case satisfying needs</i> Satisfying needs (efficient in meeting physical, psychological and social needs of humans)	Goal attainment: Mission Use of resources: Income, operations and community
<i>Blended income streams for financial sustainability (donations, grants, trading)</i> Satisfying needs (efficient in meeting physical, psychological and social needs of humans)	Goal attainment: Mission Use of resources: Income and stakeholders
<i>Reinvest the majority of profits in the social enterprise purpose</i> Satisfying needs (efficient in meeting physical, psychological and social needs of humans)	Goal attainment: Mission Use of resources: Income
<i>Service and/or product focused in a way that truly adds value to the community</i> Useful product and/or services (supporting humans in the accomplishment of intentions)	Use of resources: Operations, product and/or service and community and/or beneficiary
<i>Making an impact and evaluating contribution to the community and/or society and/or constituency</i> Good (affirming the proper place of human beings in the spiritual and natural order of the world)	Goal attainment: Mission Use of resources: Community and/or Beneficiary
<i>Governance — operating ethically internally and externally</i> Just (supporting equitable and ethical relationships among human beings)	Use of resources: Leadership, operation and stakeholders
<i>Staff and leadership buy into the values of the social mission</i> Just (supporting equitable and ethical relationships among human beings)	Goal attainment: Mission Use of resources: Leadership, employees
<i>To achieve measured social or environmental outcomes</i> Useful product and/or services (supporting humans in the accomplishment of intentions)	Goal attainment: Mission

OE, organisational effectiveness.

the mission of the enterprise and resources such as income, operations and communities.

We also used insights from the design thinking perspective to build on Diochon and Anderson's (2009:13) Model of Social Enterprise Effectiveness. While Diochon and Anderson (2009:11) view social enterprise effectiveness in terms of improving the human experience of beneficiaries, but suggest that the organisation must attain its goals in an adaptable and innovative manner, their work does not detail the role of beneficiaries in increasing effectiveness. Diochon (2013:306) emphasises effectiveness in terms of meeting the needs and goals of critical constituencies – change agents and beneficiaries – in an entrepreneurial manner. Effectiveness is likely to be judged subjectively, considering that different constituents outside of the social enterprise will have differing views about whether their needs and goals are being met by the enterprise (Diochon 2013:306).

We used design thinking philosophy as a starting point. Specifically, we introduced Buchanan's (2019:101) principles, which suggest that the process to increase social enterprises' effectiveness may include solutions that result in a good, just, useful and satisfying human experience. To achieve this, the operational tasks of the social enterprise may involve the input of beneficiaries. Beneficiaries may be consulted when designing, for example, social and health solutions. The beneficiaries thus decide whether the social enterprise's solutions provide a good, just, useful and satisfying human experience, which goes a long way in ensuring the social enterprise meets its goals and, thus, is effective. Table 2 offers a summary of the alignment of dimensions and sub-dimensions of OE.

From the above, one might argue that the model of Diochon and Anderson (2009:13) offers some broad categories or dimensions of OE of social enterprises; however, these do not include adaptability, a category that emerged from the current study's data set as important for the effectiveness of a social enterprise. The reason for this is perhaps related to the fact that South African social enterprises have to adhere to the current bureaucratic practices or protocols while awaiting the finalisation of the Social and Solidarity Economy Policy (International Labour Organization [ILO] 2020). In this regard, they might be challenged in terms of adaptability.

All the participants viewed goal attainment in terms of the mission of the organisation. Cabrera et al. (2018:396) concur that a mission is a means to achieve the vision, as it contains the way(s) in which the vision will be achieved. It is therefore more operational. Nevertheless, this mission can then be viewed in multiple layers. Some participants pointed out that a mission encapsulates 'a balance between the social mission and business case', pointing to the balance between what is good and what is financially sustainable. Some participants did, however, note that one must not forget that, in terms of goal attainment, 'the social mission takes precedence, to be achieved in a financially sustainable manner'. In other words, one might make of this that balance is only viewed as balance if social good is prioritised. It could be argued that it

is for this reason that some participants found it important to indicate that 'the majority of profits [reinvested into] the social enterprise's purpose' is critical, while the participants agreed that 'making a contribution to the community' is inseparable from the goal attainment of social enterprises. Finally, the participants indicated that, in OE with regard to goal attainment, it is important that 'staff and leadership buy into the values of the social mission', which involve 'social and environmental outcomes', and that 'the impact of the social enterprise should be monitored and evaluated'.

The use of resources in social enterprises seems to be the most prominent dimension of OE. Participants viewed the following as resources: leadership, employees, income, stakeholders, operations, products and/or services and beneficiaries and/or community. A narrative similar to goal attainment involving all the indicators mentioned emerged from the application of resources. This means that participants also saw the importance of all the above aspects relating to the use of resources in obtaining OE. The data set, however, revealed that participants linked this to the importance of keeping in mind that services and/or products must be 'focused in a way that truly adds value to the community' for resources to be used effectively. Participants noted that leadership and employees as resources play a role in achieving the organisation's mission, and that the overall governance of the organisation and the ability of leadership can be applied to ensure that staff and management buy into the social mission. Leadership, employees, income, stakeholders, operations, product and/or service and community and/or beneficiaries are all viewed as resources that can be used to obtain OE, because a social enterprise also applies its social capital as a resource. Social capital includes any form of social network (Gupta et al. 2020:210).

From a systems design perspective, the organisation's mission can be attained by applying all four principles. In particular, the balance between the social mission and the business case is linked to efficiency in satisfying the physical, psychological and social needs of humans, a view supported by Buchanan (2019:101). Moreover, participants translated this into practice in the form of generating an income and/or reinvesting profit by leveraging networks that involve beneficiaries and stakeholders.

It is also evident from the data that the enterprise's mission and its interaction with communities and/or beneficiaries relate to supporting humans in the accomplishment of their intentions. Such support of human accomplishment of intention links to the principle of creating useful products and/or services and ensuring a good human experience by affirming the proper place of human beings in the spiritual and natural order of the world, as posited by Buchanan (2019:101–103). The data, therefore, indicate that a mission is only effective in making an impact when it satisfies human (community and/or beneficiary) needs through useful products or services.

The data also indicate that the accomplishment of the mission is only effective when leaders and employees support the

relationships among human beings in order to promote the values of the organisation. According to Buchanan (2019:101–103), this principle is linked to a just mission, and requires that such relationships be equitable and ethical. However, the dataset further indicated that such relationships also relate to the environment, which includes the physical environment. This implies that the mission of the social entrepreneurial venture that ultimately wants to be effective also has to promote just relationships that promote ethical conduct, not only between people, but also in relation to the environment.

Our data show that leaders serve as an important resource by governing the enterprise in a just manner, as leaders play a prominent role in supporting equitable and ethical relationships among human beings. This implies that social enterprises apply governance design to ensure that they are just. During their operations, effective social enterprises maintain ethical relationships with all stakeholders. Notably, to satisfy the needs of beneficiaries, it is important that the enterprise generates an income. In other words, an enterprise cannot rely on charity if it is to be viewed as effective.

Implications

The findings of the study suggest that there is a place for both systems thinking and design thinking in this domain, particularly regarding the ecosystem related to leadership, the governance of resources such as finances, and training, in order to achieve OE. Wicked problems are, by definition, not problems that can be solved in a single step, but require both systematic and iterative creative thinking to solve. There is thus a place for design thinking principles alongside strategic management principles in social enterprises, and this could also be considered with regard to OE.

Our study emphasises the importance of a social enterprise fulfilling its mission and the efficient use of resources as important elements of its OE. We suggest that organisational effectiveness in social enterprises must also be viewed in terms of whether resources are used to complete the mission to provide a good, just, useful and satisfying human experience.

Notably, participants did not note the entrepreneurial or innovative aspect of a social enterprise as part of its effectiveness. However, Diochon and Anderson (2009:11) note that this is indeed an important aspect of a social enterprise's effectiveness. Apart from an enterprise attaining its goals or mission, it is important that the enterprise possesses the ability to adapt and be innovative in using its resources. This is important because entrepreneurial abilities are crucial in dealing with the uncertainty and instability that such enterprises face in attempting to remain financially sustainable while providing for a market that might not be able to afford its products and services (McMullen & Bergman 2018:620). We suggest that the South African bureaucratic environment does not support the entrepreneur's need to adapt quickly. For example, South African regulations do not allow for a hybrid enterprise that can traverse

commercial and social objectives. Nevertheless, we build on prior research by delineating effectiveness in terms of the enterprise's goal or mission and use of resources. Specifically, we introduce an overlap between systems- and design thinking in ensuring enterprises attain their goals and use their resources optimally.

Limitations and future studies

The study relied on experts' views, and, perhaps because of their lack of practical experience as actual social entrepreneurs, the participants did not emphasise the adaptability or entrepreneurial aspect of the enterprise. Social entrepreneurs have to deal with the uncertainty around organisational survival in these underserved markets. Further research is needed to delve into the views and experiences of actual social entrepreneurs, particularly those who have devised innovative solutions to address various social and health issues through a business model. The overlap between systems thinking and design thinking may have been because of the particular role of the experts in the social economy. The experts play an overseeing role in dealing with financial aspects, incubation, advice (e.g. academics on panels), and training and development, which requires a governance lens. As noted earlier, this study is the first phase of an ongoing study, in which the subsequent phase will involve social entrepreneurs. This may contribute additional and more descriptive insights.

Further studies could include quantitative data to confirm the identified dimensions of OE in social enterprises. Similar Delphi studies could be conducted in developed contexts, to enable comparison of the dimensions of OE. Further studies using the Delphi method or focus groups consisting of social entrepreneurs could gather views on OE to supplement the dimensions of OE identified in this study.

Conclusion

Social entrepreneurs aim to improve the human experience. The principles underlying systems- and design thinking are also aimed at improving the human experience. These principles include ensuring that designs result in a good, just, useful and satisfying human experience (Buchanan 2019:101). We found that effective social enterprises also abide by these principles. Our findings show that both goal attainment and the use of resources must be aligned to all four principles.

Notably, our participants associated the resources of a social enterprise with leaders, employees, income, stakeholders, operations, products and/or services, and communities and/or beneficiaries. This view of resources overlaps with Diochon and Anderson's (2009:13) components of the operating process: tasks and/or activities, people, formal organising and informal organising. For example, leaders and employees fit into the 'people' component. A social enterprise's informal organising must be developed around its stakeholders and communities and/or beneficiaries. The enterprise's tasks and activities must generate sufficient

income to ensure ongoing operations and the delivery of products and/or services. Although there is no explicit overlap with the formal nature of organising, it is reasonable to assume that the participants' view of 'operations' assumes a formal structure. According to Diochon and Anderson (2009:13), organisational effectiveness is increasingly attainable when the tasks and/or activities, people, formal organising and informal organising components work in synergy, which is typical of a system. Our consideration of these components as resources implies that the social enterprise's effectiveness relies on combining its various resources in a synergistic manner. Like commercial enterprises, the internal components of a social enterprise must function as a coherent system, and design thinking may be useful in aligning the four components (Sato et al. 2010).

One could examine the informal interactions of the enterprise's staff with beneficiaries: whether staff are providing a good, just, useful, and satisfying human experience to the beneficiaries. One could also consider how the enterprise balances these informal organisational aspects with its formal structure and governance. In conclusion, we quote a participant who captured the relationship between creative problem solving and management skills performed in a strategic way to obtain OE as: 'a balance between the social mission and the business case'.

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Competing interests

The authors declare that they have no financial or personal relationship(s) that may have inappropriately influenced them in writing this article.

Authors' contributions

A.S., T.T. and C.R. contributed to the design of the research and to the writing of the manuscript. The implementation and the analysis of the results were conducted by A.S.

Ethical considerations

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Data availability

The data that support the findings of this study are available on request from the corresponding author, A.S. (adelaides@uj.ac.za). The data are not publicly available

because of restrictions. The data contain information that could compromise the privacy of research participants.

Disclaimer

The views and opinions expressed in this article are those of the authors and do not necessarily reflect the official policy or position of any affiliated agency of the authors and the publisher.

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