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## Social Entrepreneurship Factors of Success and Failure in the Omsk Region of Russia

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### 5.1 Introduction

The new social, ecological, and economic challenges of our globalized world have led to a pressing need for effective and sustainable solutions. Engaging individuals and institutions across sectors in designing and implementing these solutions is the only chance to ensure that we reach the internationally agreed UN Sustainable Development Goals (SDGs). Sustainable development is defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED 1987, p. 43). There are numerous pathways to sustainable development; social entrepreneurship is just one of them.

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Social entrepreneurship is a hybrid form of entrepreneurship that pursues a social mission and, at the same time, “uses market-based approaches to earn commercial income to accomplish its mission” (Alter 2003, p. 2). Some have also considered it to be part of corporate social responsibility (CSR) when practiced within existing institutions (Austin et al. 2004). In our research we consider social entrepreneurship as a broad path to implement individual as well as corporate responsibility “to improve the conditions, livelihoods, and standards of living of populations and ecosystems” (Chahine 2016, p. 5).

Social entrepreneurship has become a very popular phenomenon over the last two decades. The social economy of the EU27 (2010) has provided paid employment for about 6.5% of the working population—about 14.1 million people, including about 2.5 million in Germany, 2.3 million in France, and 2.2 million in Italy. Paid employment in the social economy in Europe increased by about 27% between 2002 and 2010, and, at the same time, the number of volunteers in the EU27 (2011) participating in the activities of nonprofit organizations was about 102 million people (Monzon and Chaves 2012). The nonprofit sector in the United States employed 11.4 million people in 2012, compared to 10.5 million in 2007 (U.S. Bureau of Labor Statistics 2014). In comparison, the social economy is relatively small in the Russian Federation. Social entrepreneurship started to develop as a mass phenomenon in the Russian Federation beginning in the early 2000s. Paid employment in the social economy was about 1.4% of the working population (990,000 of 68.5 million paid workers) in 2015, compared to 0.9% in 2009.

In the Russian Federation social entrepreneurship is an emerging trend, growing in popularity in recent years. The number of volunteers in Russia increased from 0.33 million in 2009 to 1.435 million people in 2016 (Labour and Employment in Russia 2017, p. 99; Krutikov 2013, pp. 62–63). From our point of view, social entrepreneurship is much needed in Russia, especially in low-income regions with a budget deficit, such as the Omsk region.

The Omsk region is located in Siberia and specializes in petrochemical refining in urban areas and grain growing in rural areas, and exporting oil products and grain to other Russian regions and abroad. Despite

these industries the Omsk region is not considered high income due to a historical shift whereby its main plants and factories had to change their legal address from Omsk to Moscow or St. Petersburg in the 1990s and early 2000s and pay most of their taxes there. Per capita income in the Omsk region has been decreasing from 2013 and was about US\$5,000 per year in 2017, but 13–14% of the region's population had an average income under US\$1,500 per year in 2017 (Territorial Body of the Federal State Statistics Service in the Omsk Region 2018). The main challenges of the Omsk region include air and water pollution; increasing rates of cancer, allergic, and respiratory diseases; and poor road quality and housing infrastructure (Atmospheric Air and Public Health 2010; Fomina and Fomin 2014). While the regional government and businesses have attempted to solve these problems, they have faced limited resources and competing priorities.

Social entrepreneurship may help catalyze civil society and engage citizens in creating a better future for the region. As of the beginning of 2018, there were 2593 non-commercial organizations in the Omsk region employing about 28,000 people and involving about 47,000 volunteers (Non-commercial Organizations of the Omsk Region 2018).

This study explores what factors can lead to the success or failure of social entrepreneurship in the Omsk region of Russia. Drawing on existing literature, it seeks to determine whether nascent and mature entrepreneurs consider the factors related to the success or failure of social entrepreneurship similarly or differently in the Omsk region of Russia.

We begin our study with existing definitions of social entrepreneurship to outline the framework for our research. Our research relies on the concepts of social entrepreneurship provided by Leadbeater (1997), Dees (1998), Austin et al. (2006), and Dacin et al. (2010). We also explore recent studies of social entrepreneurship success and failure, which provide a reliable foundation for further research in this field (Sharir and Lerner 2006; Dacin et al. 2010; Newth and Woods 2014; Roy et al. 2014; Zhang and Swanson 2014).

Our research questions were raised from the research gaps identified by Dacin et al. (2010) and Newth and Woods (2014), which allowed us to formulate the aim of our research as follows: to understand

differences and similarities in perceptions of social entrepreneurship success and failure factors across nascent and mature entrepreneurs in the Omsk region of Russia.

To reach our aim, we used a qualitative approach, namely the phenomenological approach (Germak and Robinson 2014). We held five in-depth interviews with social entrepreneurs in the autumn of 2016. The interviews allowed us to develop a semi-structured questionnaire. Our qualitative survey was conducted in online and offline forms in the Omsk region of Russia in the spring of 2017. Our final data contains answers from 58 respondents from social entrepreneurs of the Omsk region.

## 5.2 Theoretical Background and Research Questions

There are many definitions of social entrepreneurship, but two main aspects can be found in almost every definition: the entrepreneurial and the social (Leadbeater 1997; Dees 1998; Austin et al. 2006). From one side, social entrepreneurs can be described as Schumpeterian entrepreneurs—they mobilize inventions, they innovate, carry out new combinations, and bring creativity. In this regard, social entrepreneurship “is not a distinct type of entrepreneurship” (Dacin et al. 2010, p. 53). From another side, social entrepreneurs aim at a social mission, so in this sense social entrepreneurship differs from commercial entrepreneurship in such aspects as different motivation, the way they pursue opportunities, the outcomes they aim for (Mair and Noboa 2006), and success metrics. Russian scholars have defined social entrepreneurship as an economic activity characterized by the following: a social purpose, an entrepreneurial innovation, and an aspiration to self-sufficiency (Makarevich and Sazonova 2012).

In our research, we have followed a definition given by Austin et al. (2006, p. 2): “We define social entrepreneurship as innovative, social value creating activity that can occur within or across the nonprofit, business, or government sectors.” In other words, we consider social entrepreneurship as an innovative activity that pursues a social mission.

While the nonprofit sector is usually considered as the main sector for social entrepreneurship (Stecker 2014), the business and public sectors are often involved as well (McMullen 2011; Keohane 2013).

The success of social entrepreneurship is also a complex phenomenon and discussed in recent literature from different points of view. Dees (2012) considered social entrepreneurship as an intersection of two cultures: a culture of charity and a culture of entrepreneurial problem solving, while the success of social entrepreneurship requires values integrated from both cultures. Social entrepreneurship success may be defined as being the generation of “social goods” (Cukier et al. 2011) or measured according to three success criteria: the achievement of declared goals; the ability to ensure sustainable current activities including obtaining resources; and the ability to find resources for further growth and development (Sharir and Lerner 2006). Roy et al. (2014) discussed the criteria proposed by the Ashoka Foundation (i.e. demonstration of a new idea; creativity; entrepreneurial quality; social impact of the idea; ethical fiber) and the Schwab Foundation (i.e. transformative social change; organizational sustainability; proven social and/or environmental impact; reach and scope; scalability) to select social entrepreneurs that have been successful over long periods of time and separated these criteria from antecedents of social entrepreneurship success.

The factors influencing success in social entrepreneurship have been studied by many scholars. Social networking and the creation of social capital are broadly discussed as some of the most important factors of social entrepreneurship success by Leadbeater (1997), Dufays and Huybrechts (2014), and Zhang and Swanson (2014). Lehner (2014) analyzed the transformation of social capital into economic capital and claimed that the success of social ventures is based upon the social capital of the entrepreneurial team. Zhang and Swanson (2014) divided factors that can enhance the success of social enterprise on internal factors (including leadership committed to social cause; resource endowment; network embedding) and external factors (a supportive government policy environment; a dynamic social environment; a poor economic environment) and outlined the processes of successful social entrepreneurship (a social entrepreneurship orientation; continuous mission

adaptation; and effectuation capabilities). According to Newth and Woods (2014), social entrepreneurship opportunities are the constructed outcomes of entrepreneurial alertness and motivation, and the organizational, societal, institutional, and market contexts in which the entrepreneur is embedded. These contextual forces are considered as barriers (Robinson 2006) and factors of resistance (Newth and Woods 2014) to social entrepreneurship, but they also provide success in social innovation. Sharir and Lerner (2006) identified eight variables that contribute to the success of social ventures: (1) the entrepreneur's social network; (2) total dedication to the venture's success; (3) the capital base at the establishment stage; (4) the acceptance of the venture idea in the public discourse; (5) the composition of the venturing team, including the ratio of volunteers to salaried employees; (6) ensuring cooperation in the public and nonprofit sectors in the long term; (7) the ability of the service to stand the market test; and (8) the entrepreneurs' previous managerial experience.

Although social entrepreneurship success and its factors are discussed widely in recent literature, the failures of social enterprises have attracted less attention. According to Dacin et al. (2010), social entrepreneurship researchers and practitioners could benefit from a stronger dialogue and understanding of entrepreneurial failure; entrepreneurial failure is just as crucial to understanding the potential sustainability of social enterprises. Cukier et al. (2011) also point out the need to do more empirical research to evaluate successes and failures and ultimately to harness the best practices of social entrepreneurship. Newth and Woods (2014) propose the exploration of factors of resistance and how the context shapes social innovation for further understanding of social entrepreneurship and a greater appreciation for the ways in which innovations can succeed because of resistance, not in spite of it.

Social entrepreneurship in the Russian Federation has been studied in the context of its business models, trends, and main features (Batalina et al. 2008; Moskovskaya 2011; Aray et al. 2014; Zhokhova 2015); however, the factors of success and failure in Russia have yet to be investigated. Germak and Robinson (2014), in their study of the motivation of nascent social entrepreneurs, proposed for further research the comparison of the motivation of nascent and mature social entrepreneurs.

This led us to our study design which compares the perception of factors of success and failure by nascent and mature social entrepreneurs.

Our research questions are as follows:

- What are the main factors that lead to the success or failure of social entrepreneurial ventures across the Omsk region of Russia?
- What are the differences and similarities in the factors of success or failure among nascent and mature social entrepreneurs in the Omsk region of Russia?

### 5.3 Research Methods

We followed a qualitative approach to address our research questions regarding factors of social entrepreneurial success and failure. Phenomenological methodology was practiced by different researchers such as Germak and Robinson (2014), and Sharir and Lerner (2006) in their qualitative studies in social entrepreneurship.

The data frame for this study includes respondents in the Omsk region of Russia who participated in our research in 2016 and 2017. We conducted our research using the following two steps: first, the five in-depth interviews with social entrepreneurs; second, a qualitative survey among nascent and mature entrepreneurs that aimed to understand the factors that may underlie social entrepreneurial success or failure. We defined the mature entrepreneurs as those with more than three years entrepreneurial experience and the nascent entrepreneurs as those with less than three years entrepreneurial experience.

Step 1. The first in-depth interviews were held in the autumn of 2016 with five participants who ran social entrepreneurial ventures. The respondents for the in-depth interviews were randomly chosen from the participants of the Presidential Management Training Program in the Omsk region. All participants of this Program have more than three years' executive experience and may be classified as mature entrepreneurs. Some of them run social ventures and agreed to participate in the interview. For the purposes of this study a social venture is defined as

any social initiative working toward positive social and environmental change, including an organization or a project (Chahine 2016, p. 7).

The average length of each interview was about one and a half hours. These interviews allowed us to develop a semi-structured questionnaire for the next step of our study. The interviews, as well as the semi-structured questionnaire, included only open questions concerning the factors that led to a venture's success or failure. According to the phenomenological approach there were no prepared answers to choose from. We wanted our respondents to express their own opinion, which would allow us to understand deeper the phenomenon of social entrepreneurial success and failure.

Step 2. In the spring of 2017, we asked the alumni of the Presidential Management Training Program via email and phone calls to participate in the online semi-structured questionnaire. We obtained 27 respondents out of 42 in this online survey, the response rate being about 64%.

At the same time, in the spring of 2017, we also conducted a semi-structured survey with 31 nascent social entrepreneurs who had developed and implemented social ventures in the Omsk region of Russia. All of them were the leaders of social ventures and had less than three years' experience in social entrepreneurship. These nascent social entrepreneurs were participants of the training courses in Social Entrepreneurship at Dostoevsky Omsk State University and agreed to participate in the survey. We asked them to fill in the semi-structured questionnaire and answer the open-ended survey questions offline.

Our final sample contains 58 individuals: among them 31 were nascent and 27 were mature entrepreneurs at the time of participation in the survey. Our sample also includes information about gender: we have 17 male and 41 female participants. All our respondents have been trained in Social Entrepreneurship and Project Management.

The content of the survey included questions about social venture aims; current phase of venture; motives to run a social venture; achieved results; a social innovation that was implemented; the team, beneficiaries, and other participants; plans for the future; success factors; barriers and obstacles; personal satisfaction with venture success; etc.



For the aim of the research, the social ventures were divided into successful and failed. To classify the social ventures as successful or not we used the following criteria:

1. The implementation of the venture in practice and the ability to ensure sustainable current activities (Witt 2004; Sharir and Lerner 2006). Ventures that couldn't proceed from the planning phase to execution and sustainable performance, and those that were rejected and closed without implementation were considered as failed. We asked the leaders of start-up social ventures to identify the current phase of their venture (the phase they were in at the time of the survey) and about funding and other resources they had attracted. The long-term ventures were considered as already proceeding to the performance phase;
2. The subjective evaluation of social entrepreneurial success by the social venture leader or participant (Witt 2004) and the achievement of the social goals (Cukier et al. 2011; Sharir and Lerner 2006). We asked our respondents to describe the main aim and results of their social ventures. Then we asked: "Do you think that your social venture was a successful one?" The possible answers were "yes," "no," or "maybe." If the social venture was assessed as being successful, we asked our respondents to explain how.

We considered a venture as successful if we had positive answers for both criteria. If, for the second criteria question, we had the answer "maybe," but there was a clear description of results and an explanation of how the venture had been successful, the venture also was considered as successful.

The questionnaire included the following open-ended questions: "What were the main factors that led to the success of your social venture?," "What were the main obstacles or barriers for your social venture?" The content of the survey was manually codified and analyzed. Step-by-step the coded phrases were related to particular factors of success or failure and combined in groups. This iteration process allowed us to clarify the factors of social entrepreneurial success and failure. Finally, the results were compared to understand differences and similarities in factors affecting the success and failure of social ventures across nascent and mature entrepreneurs in the Omsk region of Russia.

## 5.4 Findings

Our findings are presented below. All interviewees from the first step participated in the survey as well, so the results below are given without double counting. Factors of success were identified by the leaders of successful ventures, factors of failure by the leaders of failed ventures. The names and age of our respondents, as well as the names of their ventures are real. Permission was obtained from the venture leaders to include their names and the names of their ventures.

### 5.4.1 Evaluation of Nascent Social Entrepreneurs in the Omsk Region About Factors of Success and Failure

The age of our nascent social entrepreneurs was between 19 and 24, including six male and 25 female respondents. The ventures were classified by sector: twelve educational, ten ecological, five charity, and four sports ventures.

Nascent entrepreneurs, the leaders of 28 successful ventures in the Omsk region, described the following factors of success:

#### 1. Social Networking

The most important factor of success identified by nascent entrepreneurs was networking. Respondents talked about networking sponsors, volunteers, or beneficiaries. They noticed the importance of using existing personal connections and building new contacts. Networking helps to build the trust of friends, relatives, and other participants. The phrase “personal connections” was mentioned by 15 respondents as a factor that leads to success.

Christina, aged 22, the leader of the venture “Happy Wardrobe” that aims to help low-income customers obtain clothing free of charge or at low prices noted: “Using social nets helps us to succeed. We work with the target audience using existing social groups on the Internet.”

Victoria, aged 22, the leader of the venture “Help a Friend!” that aims to help homeless dogs and other pets discussed the factors of success by saying: “Active involvement of beneficiaries. Positive connections with project sponsors.”

## 2. Motivated Leader and Team

The respondents said that the enthusiasm of the team and its members has strong implications toward the success of the venture. The phrase “team cohesion” was mentioned by ten respondents as a factor that leads to success. In addition to team cohesion, the teams’ dedication and drive toward addressing social challenge emerged from the data, illustrating team motivation.

Catherine, aged 20, the leader of “Ecological Lessons,” an initiative that aims to promote ecological knowledge among children and teenagers by means of lessons and ecological events explained that team cohesion for the project aim was crucial for the project’s success. The team believed that the new generation may change the ecological situation in the region, fueling team motivation.

Alexandra, aged 24, one of the leaders of the venture “Sunday Up!,” a nonprofit school of personal growth, noted the shared motivation: “The team was interested in the project. We are the young leaders and we want to help children to develop their managerial skills.”

## 3. Previous Experience of the Team Members and Team Leader

Both the experience and knowledge of the team members were considered as important factors of success. For example, respondents talked about their experience in public relations, working with children, public speaking, sports, and event management.

Alexander, aged 20, the leader of the venture “The world without AIDS” that aims to inform youth about infection using creative active learning methods noted: “The team members have experience in event management and knowledge about HIV/AIDS. Many of us had participated already in volunteer work organized by medical centers. We had

lessons about HIV/AIDS and we want to share our knowledge with the youth to warn them about the danger.” Thus, in addition to the shared goal which motivates team members, they are driven by their desire to apply their skills and previous experience to solving social problems.

#### 4. Ability to find Resources and Financial and Organizational Support

Catherine, aged 23, the leader of the venture “Healthy” that aims to promote a healthy style of life by means of mass sport events noted: “The ability to find sponsors that were interested to organize sport events for citizens was one of the most important factors that led to the project’s success because the main participants of the project were families from low-income districts including children and pensioners.” Mobilizing stakeholders outside their ventures to support a cause and channel resources to support it was a cross-cutting success factor for social entrepreneurs.

Nascent entrepreneurs who led failed ventures identified only social networking and the motivation of the leader and team as potential factors of success, but we didn’t include their answers in our findings because their ventures failed.

Nascent entrepreneurs who led three failed ventures described the following obstacles and barriers that they couldn’t overcome:

##### 1. Lack of Team Motivation and Cohesion

The most important factor of failure was lack of motivation and cohesion. For instance, a woman, aged 22, the leader of the venture “Book turnover” that targeted the idea of book sharing in coffee shops observed that “the idea turned out to be not so interesting for the team as it seemed at the beginning. We started the project and then understood that it’s very time consuming and we don’t have any desire to spend our free time to develop this project.” In this case, the venture was formed around an idea rather than a problem and did not share the same source of motivation that fueled teams who successfully tackled social challenges and remained dedicated to iterating potential solutions to these challenges.

## 2. Poor Networking

Some of the nascent entrepreneurs considered networking as a stumbling block for their project. Lack of skills for networking as well as the wrong target group for networking led to the project's failure.

Maria, aged 23, the leader of the venture "Battery" that aimed to prevent the dumping of batteries and accumulators: "We started from a very narrow target group. We didn't build communication channels with citizens and were not able to inform them about our project." Such cases reflect the importance of stakeholder mobilization described above, illustrating the failed outcomes which are more likely to occur when resources are not channeled to support the cause. It also links to the importance of previous experience and skills; and existing social networks.

## 3. Organizational Context

The structure of the parent organization and its internal institutions have a strong influence on the project. If there is a contradiction between the organizational rules and a new project, either a project fails or develops beyond the parent organization.

Anastasia, aged 20, the leader of the educational venture: "Bureaucracy of the parent organization didn't allow us to reach all the aims of the project." In this case the parent organization blocked some activities of the project that led to the project's failure. This observation is specific to intrapreneurship—innovating within existing organizations—which can have the advantages of existing structures and resources to support a new venture, while it may inflict the disadvantage of having to maneuver within these existing structures which are not always conducive to trying new approaches.

### **5.4.2 Evaluation of Mature Social Entrepreneurs in the Omsk Region About Factors of Success and Failure**

The age of the mature social entrepreneurs was between 28 and 49 years, including 11 male and 16 female respondents. The following types of ventures were identified: eight medical, five educational, four

cultural, three sport, two ecological, and five other ventures (agricultural, political, industrial, science, transport).

Mature entrepreneurs, the leaders of 13 successful ventures in the Omsk region, described the following factors of success:

### 1. Institutional and Market Context

The most important factor of success identified by mature social entrepreneurs was the institutional and market context. In these cases, entrepreneurs were able to successfully navigate existing structures and innovate within existing institutions.

Tatyana, aged 49, the leader of the sport and wellness venture “Siberian school of health” that aims to build playgrounds and sports grounds in public parks noted: “The project matched the priority areas of government policy.” This alignment of goals between the nascent venture and the existing institution prevented the bureaucracy and blocking seen in the failed ventures above.

Vitaly, aged 39, the leader of an ecological and industrial venture that aims to construct a water purification plant explained the project’s success by saying: “Changes in environmental legislation. If the legislation hadn’t been changed, the power plant wouldn’t have invested in a new water purification plant.” Thus, external factors including policy, law, and environmental prioritization paved the path for innovation.

A man aged 45, the leader of a high-tech science venture noted that “the government policy of import substitution provided the project success.” The sanctions against Russia motivated the Russian government to support research and development to reduce imports. Again, here the timing and alignment with both internal and external priorities and agenda created a fertile ground to build new ventures.

Similarly, Eugene, aged 41, the leader of a venture that aims at the development and implementation of distance learning courses in the nonprofit sector of education claimed that “demand for short-term online courses in the market was a key factor of success.”

## 2. Ability to Find Resources and Financial and Organizational Support

The second most important factor for success was the ability to garner support, both financial and non-financial. While revenue is seen as a means to an end in social ventures rather than the end goal, without financial sustainability long-term impact is impossible.

Anna, aged 39, the leader of the venture “Call Center for Diagnostic Clinic” explained that “sustainable financial position of the company and organizational support of the company administration were the bases for success.”

Marina, aged 46, the leader of the venture “Multifunctional Youth Center” noted that “the project received a subsidy from the federal budget.” Thus, social entrepreneurs have benefited from a range of revenue streams, both private and public. These were important at several stages of the social ventures, including seed funding and growth.

## 3. Motivated Leader and Team

The people behind the idea were viewed as equally important if not more important than the idea itself. Having a dedicated chief executive and core team to see the social venture through its early stages and growth was expressed as being critical to its survival and success.

The mature entrepreneurs assigned a very important role to the motivation of the project leader and project team on their way to success.

Anna, aged 35, the leader of the cross-cultural social venture “United Creative Area” explained that her “personal motivation was a main factor of the project’s success.”

Anna, aged 39, the venture “Call Center for Diagnostic Clinic” also linked the project success with motivated project manager.

Olga, aged 36, the leader of a venture that aimed to open a dental orthopedic cabinet with free of charge services underlined that they desired the development of the organization. Strong desire and dedication to the medicine led this team to the successful implementation of the project idea on practice.

#### 4. Previous Experience of the Team Members and Leader

Motivation and dedication however are not enough if not backed by tangible skills. Respondents viewed the previous experience of the team members and leader as being critical to the success of a venture.

Galina, aged 39, the leader of a venture that aims to promote the standards of “Ready for Work and Defense” (renovation of former Soviet Union standards) in the Omsk region noted that building an interdisciplinary team was crucial for the project’s success. The team included people from sport, the army, public administration, marketing, and project management, also the project leader had experience in the implementation of similar projects.

Natalia, aged 43, the leader of a venture that aims to implement electronic textbooks—the “ABC System”—in the educational system of the Omsk region among the other factors that led to success named her “experience of working with this product.” Thus, having subject matter knowledge on technical aspects and product development was viewed as important alongside diversity in people and management skills.

#### 5. Organizational Context

Beyond the people, the health of the organization itself as an entity was considered important. These factors of success are linked to the internal structure of the organization and its institutions.

Elena, aged 39, the leader of a medical venture that aims to organize day care centers in hospitals noted that “the need to change the organizational structure of the parent organization was a driver of the project’s success.”

Vitaly, aged 39, (the venture of a new water purification plant) noted that “exhaustion of the resource of existing equipment led to the need of the new water purification plant that brought the change of the organizational structure of the power plant.” In both these cases, demonstrating agility and adaptability was critical to survival and success.

#### 6. Social Networking

Beyond the organization, the social network surrounding the team and structure provide the support needed to penetrate the market.



Natalia, aged 43, (a venture for the implementation of electronic textbooks “ABC System”) explained that “building good relationships with suppliers of electronic textbooks and consumers (schools and parents) are the most important for the project’s success.”

A man aged 45, the leader of the high-tech science venture, noticed that they developed “an effective scheme of interaction between the project stakeholders.” Effective interaction was considered as an important factor of success. Mature entrepreneurs, the leaders of failed ventures, identified only the institutional and market context and organizational context as potential factors of success. Eight of them didn’t identify any factors of success, probably because they were disappointed by the project failure.

Mature leaders of 14 failed ventures described the following obstacles and barriers that they couldn’t overcome:

### 1. Lack of Team Motivation and Cohesion

It was the most important factor of failure for mature social entrepreneurs, the same as for nascent entrepreneurs.

Tatyana, aged 47, the leader of the venture “Boarding house for temporary stay for elderly people” noted that “the project’s failure was connected to lack of motivation and shortage of time.” She argued that the project would require all her free time, but she can’t leave her job, so she lost her passion for the project.

Anna, aged 44, the leader of a venture that aimed for the development of a rehabilitation center to help sick and disabled people at home claimed that she lost her dedication to the project because she doesn’t have enough time for this project. She has already helped sick and disabled people but she understood that these days it can’t be her main activity.

### 2. Lack of Funding

Alexey, aged 34, the leader of a venture that aimed for tourism development in the Tara district of the Omsk region (a remote area to the north of the region) complained about the lack of any funding.

### 3. Institutional and Market Context

Elena, aged 37, the leader of “Board of young artists” that aimed cooperation of the young leaders from the state cultural organizations blamed “the system of regional government for the failure of the venture. Nowadays many state and municipal cultural organizations of the Omsk region have an unbalanced age structure, especially in their management that leads to a lack of creativity and competitiveness.” The informal institutions of the regional government contradicted the project idea and led to the project’s failure.

Andrey, aged 46, the leader of the agricultural venture “Dutch cooperative” complained that “project participants in the countryside do not have the required skills.” The institutions of the Soviet Union are still very strong in Russian society, especially in the countryside. These institutions wouldn’t allow for the cooperation required for the Dutch cooperative.

## 5.5 Conclusions

This study analyzes the factors of success and failure of social entrepreneurship among nascent and mature entrepreneurs in the Omsk region of Russia. To understand the phenomenon of social entrepreneurial success and failure more deeply we conducted a qualitative research with social entrepreneurs. In this study, the total sample included 58 respondents who ran social ventures.

The main contribution of our paper is that it shows that the factors of success and failure are related to each other inside each group of respondents, while nascent and mature social entrepreneurs have different perceptions of the factors leading to social entrepreneurship success or failure.

Using a phenomenological approach to understand the factors of social entrepreneurship success and failure, we found that social entrepreneurs across the Omsk region (Russia) identified the following factors of success: social networking; motivated leader and team; previous experience of the team members and leader; ability to find resources and financial and organizational support; institutional and market context;

organizational context. These factors of success were previously discussed by Dufays and Huybrechts (2014), Leadbeater (1997), Lehner (2014), Newth and Woods (2014), Sharir and Lerner (2006), and Zhang and Swanson (2014), but our findings show the particular perceptions of Russian social entrepreneurs.

Institutional and market context was the most important factor of success for mature entrepreneurs, while networking was the most important for nascent social entrepreneurs. Mature entrepreneurs identified all the factors of success that were mentioned above. Nascent entrepreneurs didn't identify institutional, market, or organizational context as factors of success.

The factors of failure for the Omsk region were the following: lack of team motivation and cohesion; poor networking; organizational context; lack of funding; institutional, and market context. The most important factor of failure for both groups of respondents was lack of motivation; it was the only factor that was identified in both groups of respondents. While the factors of motivation and organizational, institutional, and market context were considered already as barriers by Robinson (2006), and factors of resistance by Newth and Woods (2014), our findings show that poor networking and lack of funding may also become barriers that social entrepreneurs cannot overcome.

It was noticed that the factors of failure are related to the factors of success inside each group. The most important factors of success and failure for nascent entrepreneurs are the following: level of motivation; networking skills. The most important factors of success and failure for mature entrepreneurs are the positive and negative influence of the institutional and market context on the venture; the ability to find resources and lack of funding; and level of motivation.

This study has limitations that provide directions for future research. Firstly, our study is focused on a particular region of the Russian Federation, precisely the Omsk region is an industrial region in Siberia. Further research could compare different regions of Russia as well as different regions of the world. It would definitely require enlarging the number of respondents.

Secondly, our data includes information about the gender of respondents. The large majority of nascent entrepreneurs were women,

while this proportion was reduced among mature entrepreneurs, which may show that social entrepreneurship is more attractive for female nascent entrepreneurs, but this fact should be tested in further studies. Applying a gender lens to future studies on factors for success and failure will help to better understand gender differences.

Finally, we discussed only factors of success identified by successful entrepreneurs and barriers identified by failed entrepreneurs. We did not discuss the barriers that were identified by successful entrepreneurs. According to Newth and Woods (2014), some of the factors of resistance may lead to the success of social innovation. To prove this hypothesis, we would suggest asking social entrepreneurs to identify separately those barriers that were overcome and what was learnt from the experience.

In summary, this study provides a starting point in understanding factors related to the success and failure of social entrepreneurs in a unique region in the Russian Federation. If the practice of social entrepreneurship grows in various regions of the Russian Federation, as seems likely, so too will the ecosystem surrounding it, including stakeholders such as funders and other supporters, and most importantly the communities served. Building on this preliminary research by creating larger datasets and including a larger number of social entrepreneurs and other stakeholders in the ecosystem will allow for a more multi-dimensional perspective to be added to the entrepreneurs' perspective, which can be used to inform the design, financing, implementation, and growth of social ventures in the future.

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