“Not everything that can be counted counts, and not everything that counts can be counted” ~ Albert Einstein
Chapter – 4

Qualitative Data Analysis

The data analysis means describing the process involved in execution of methodology and reaching to the result. This involves analyzing the data gathered through relevant tools. Onwuegbuzie and Teddlie (2003) conceptualized a seven step framework for analyzing quantitative and qualitative data within a mixed methods framework. According to them the researchers may not undergo all the steps but they have to perform at least some of the following seven stages: (a) data reduction, (b) data display, (c) data transformation, (d) data correlation, (e) data consolidation, (f) data comparison, and (g) data integration.

As discussed earlier, the qualitative analysis will be followed by the quantitative analysis. Thus, the details of qualitative analysis have been discussed below.

4.1 Qualitative Analysis

Qualitative data analysis is an iterative and reflexive process that begins as data is being collected rather than after data collection has ceased (Stake 1995). Supporting the views of Onwuegbuzie and Teddlie (2003), Miles and Huberman (1994) broke down the analysis of qualitative data into three processes which are not sequential steps, which may happen at the same time and happen over and over again. These three processes are: 1) reducing data, 2) displaying data, and 3) drawing and verifying conclusions. The data analysis of this study carries out these processes through Grounded Theory analysis.
4.2 Grounded Theory Analysis

This study follows Miles and Huberman’s (1994) suggestions to reduce the data and use the Grounded Theory process for this. This has been done through ‘coding’ which is the first step of the Grounded theory process. Coding as defined in the previous chapter is the process of breaking down the data, most commonly interviews and/or observations, into distinct units of meaning which generate concepts. As proposed by Glaser and Strauss (1967) a researcher starts by coding each incident (incident refers to each identifiable unit of meaning in a line; often a sentence, a clause, a few sentences, or very occasionally a paragraph). The code strategy used here is, Strauss and Corbin (1990) recommended, the dynamic and fluid coding procedure: open coding, axial coding, and selective coding. “Open coding is the initial step of theoretical analysis that pertains to the initial discovery of categories and their properties” (Glaser, 1992). The Axial coding occurs around the axis of a category and the analysis process needs to link categories at the level of properties and dimensions.

Few of the examples of ‘coding’ of the study are as below.

Examples
Response -1

“Someone known to me said that we have deviated from our path because we have started charging for our services”

This statement has been ‘Open Coded’ as

1. deviation from path
2. started charging for services

Second round of ‘Axial Coding’ of the above statement is done as below
1. Mission drift
2. Financial Sustainability

Here the coding is done as per the properties of the categories made along with the axial themes of challenges and factors affecting those challenges. Similarly it is done with other responses.

Response -2

“We have to bring projects so that our unit’s bank account has money, else we will not get salary. I know it is important but sometimes I feel its all money game ... where is the charity”

Open Coding
1) Money is important but where is the charity
2) Have to bring project (money) to get salary

Axial Coding
1) Clarity of vision
2) Financial Sustainability

Response -3

“They give us information about the soil of our field, which crop to sow and other best practices of agriculture (kheti ke unnat tarike). Accordingly we decide which crops will be beneficial for us. For this they charge a small amount which we don’t mind paying ... after all even our income has improved due to their advice.”

Open Coding
1) Information about practices of agriculture
2) They charge a small amount which we don’t mind paying

Axial Coding
1) Information Technology
2) Financial Sustainability

The three statements given as examples are from different stakeholders. As per the last step i.e. ‘Selective coding’, the similar axial codes needs to be selected and coded in the underlying common category.

Response – 1

1) Mission drift
2) Financial Sustainability

Response – 2

1) Clarity of vision
2) Financial Sustainability

Response – 3

1) Information Technology
2) Financial Sustainability

Selective Coding

“Financial sustainability”

So, finally the code which is common to all these responses was selected and kept under one of two categories identified i.e. Challenges and Affecting Factors.

Similar to this, the transcripts of the interviews, focus groups and field notes of the researcher (micro-ethnography) were analyzed and coded into phrases similar to the above mentioned. Then the codes with the same source and codes generated from different sources have been compared with each other for methodological triangulation (discussed in the previous chapter). The comparisons remove the bias coming from the source and process of data collection. It also strengthens the results. This analysis yielded 19 constructs. These constructs identified through
qualitative research are also been explored in literature. Literature, along with the transcripts, helped in defining the constructs along with their measuring indicators, both of which are given below.

4.3 List of Constructs

4.3.1 **Human Resource Management** – The service-providers employees are as important as the services itself and therefore they are the most important asset of nonprofits and social enterprises (Hall et al., 2003). Inadequacies in the availability and management of human resources have been among the most critical reasons for the failure of many social enterprises (Manimala & Bhati, 2011). This literature along with the qualitative study considers HR as the challenge faced by social enterprise. The qualitative analysis revealed that in most organizations, the attrition rate is high. Some social entrepreneurs and decision makers also complained about availability and adequacy of the manpower (Anjaly and Bhamoriya, 2011). Thus, this challenge can have manifest variables as below:

1. Attrition rate
2. Availability of the skilled manpower
3. Adequacy of the existing manpower

4.3.2 **Financial Sustainability** – The financial sustainability refers to challenges related to funds. As funding is crucial for the existence of an enterprise, respondents place a lot of emphasis on the funds related issues. Though, there is a hike in the funding options, still raising capital is amongst the major challenges faced by social enterprises (Allen, et. al., 2012). Most of the respondents had little awareness about these innovative funding options. In many cases, the respondents were not even clear about their funding needs. According to Allen et al (2012) the greatest financing challenge is not a limited supply of capital but social enterprises’ limited access to it. In this aspect the following have been considered as the representative indicators for this challenge.
1. Access to capital
2. Awareness about innovative funding options
3. Awareness about funding needs

4.3.3 **Creation of Network & Channel Partners** – Networking is incredibly important for budding social entrepreneurs (Social Enterprise UK). It may provide access to various resources and can also facilitate business progression. The channel partners aid the business in exploring and availing new opportunities. They might not only be partner in operations but can also be mentors and advisors. According to Nobel et al (2012) social enterprises can raise awareness or legitimize its work by having their advisory board members from institutions of repute. This will also facilitate in establishing external connections and attract similarly talented and respected people to join the organization.

As pointed out by Founder Director of a social enterprise “We face lot of problems in selecting channel partners. People are yet to realize the importance of collaboration. They work in their own silos.”

The measuring indicators for this construct can be

1. Attitude towards creation of network
2. Importance of channel partner

4.3.4 **Government & Other Project Support** – The Government has a critical stake in the functioning of social enterprises. It sometimes acts as an early provider of resources to new enterprises through grants and investments or a customer through the procurement process (Schwab Foundation, 2013). The projects related to implementation of its schemes can be a big source of revenue for any social organization. This may affect the social enterprises either by providing the
monetary support or creating a mission drift for the money crunched social enterprises.

This has been exhibited through these indicators.

1. Adequacy of support
2. Awareness about these projects

4.3.5 **Mission Drift** – It means that the social enterprise strays from its original goals – usually by focusing on profits to the detriment of the social good, but sometimes vice-versa. They not only lose the sight of their social mission but sometimes even have a negative impact on the population they were trying to help (Nobel, 2012). This may also happen due to the influence of the funding agency.

Thus, the indicator for mission drift could be

1. Pressure of growing with speed
2. Focus on profit (Bendall, 2011)
3. Expected Return on Investment
4. Projects misaligned with the enterprise

4.3.6 **Market Sustainability** – It means sustainability using market orientation. Hunt and Morgan (1995), using Resource-Advantage Theory, determined that a market-oriented firm can achieve a position of a competitive advantage, superior long-run performance and good revenue source. Usually these terms are applied for commercial ventures. But with the changing scenario this can be referred for social enterprises as well, especially those who are working in livelihood sector. They have to provide market linkages to their beneficiary groups or have to market the produce themselves. The customers may not pay for lower quality or overpriced product even though it is made by a social enterprise. Thus, it becomes increasingly important for these SEs to be competitive in the market. As per Intellecap’s report,
the operation efficiency of social enterprises is mostly comparable to their commercial counter part (Allen et al, 2012).

But it is still a challenge for social enterprises as their focus mostly remains on the input side. Few respondents, alike founder of one of the leading Delhi based social enterprise, accepted that this as a challenge.

The following indicators have been devised to measure market sustainability of the social enterprises.

1. Competitive quality of the produce
2. Preparedness to compete
3. Competitive pricing

4.3.7 **Measuring Social Impact** – Most of the social enterprises have no formal method of assessing their effectiveness, and they relied on anecdotal evidence, impressions, and informal feedback (Ostrower, 2004). The subjectivity brewed from this decreases the credibility of their claims. The qualitative research of this study supports this finding. Many respondents felt that if social impact is measured properly, it can increase the credibility of the enterprise amongst the support organizations. Thus, this has been taken as one of the challenges. This has been manifested through indicators given below.

1. Increase in the beneficiaries income
2. Increase in the no. of beneficiaries
3. Well defined criteria for output measurement
4. Ease of measuring Social Impact

4.3.8 **Beneficiary Acceptance & Involvement** – This construct refers to the challenge faced by social enterprises in making change acceptable to the beneficiary and engaging them in the activities of the social enterprise. The social
changes most often require change in the behavior of the target communities which is generally resisted and opposed by the community themselves. The long term benefits are ignored, more so if they are conflicting with the short term comforts (Rangan, K et al 1999). Thus, this is important for the social enterprises to make sure that the beneficiaries not only accept them but also get involved with them in the change. Interestingly some of the respondents stated that gender of the beneficiary does have an effect on their commitment to work and overall productivity (Anjaly & Bhamoriya, 2011). One of the social enterprises reported that as their beneficiaries have financial involvement in the project so they do not leave the project easily (Anjaly & Sahay, 2013).

The reflective indicators for this will be:

1. Convincing group leaders
2. Frequency of interaction
3. Gender effect
4. Beneficiaries financial Involvement

4.3.9 System and Processes – The systems and processes of the organization helps them in utilizing the limited resources more efficiently and effectively. Well documented criteria and system of human resource acquisition, retention and development can help in reducing attrition and increase employee satisfaction. This not only has an impact on HR issues, but it can also effect the organizational growth, financial sustainability, amongst others. One of the respondents stated that the set processes for documentation makes reporting easy and it also helps in identifying investors and grant makers. Many social enterprises do not meet investors’ requirements because their business model needs further refinement (Allen et al, 2012). These flaws of business model can only be identified through constant review and regular third party audits. This affecting factor can be depicted through following indicators:
1. Mechanism for documentation
2. Arrangement for external audit
3. Existence of review mechanism
4. Existence of HR processes

4.3.10 **Stage of the Organization** – This term means one of three stages of organization i.e. Start-up, Growth and Maturity as defined in the previous chapters. According to many researchers, the age of the enterprise affects the challenges faced by them (Allen et al, 2012; Thangaraj, 2010). This has been measured by

1. Age of the organization

4.3.11 **Training the Manpower** – This construct refers to skill up-gradation mechanism for the work force. Many respondents reported that they feel a dearth of skilled manpower. They are forced to hire low skilled employees and when they train them, the employees move to bigger organizations. The Intellecap’s (2012) report on Indian Social Enterprise landscape also has similar findings.

This has been manifested through following items:

1. Attitude towards training
2. Employees’ current ability

4.3.12 **Platform for Network** – Strong partnerships are important for the scaling up and success of many social enterprises. Many social entrepreneurs and decision makers, during interviews, raised the issue of lack of platform where they can share their problems and get solutions. Even the report of Intellecap on ‘social enterprise landscape’ supports this finding. According to them, the limited infrastructure to
support the process of finding the potential partners exacerbates this challenge (Allen et al, 2012).

This construct has been measured from the following indicator which arise due to lack of platform.

1. Problem in identifying channel partners

4.3.13 **Quality of Funding** – The construct refers to the terms and conditions of funding. This can have a huge impact on the social enterprise concerned. If the spending patterns change with the change in the funding patterns (as funding sources or terms over time), the goals of the organization may have been compromised (Hughes and Luksetich, 2004).

This also has a flip side, as in some cases the uncertainty related to funding motivates a more cautious approach while budgeting (Hughes and Luksetich, 2004). The same paper by Hughes and Luksetich also reports that the source of funds i.e. whether it come from government or private sources, seems to have little impact on management expenses or fundraising activities. This observation makes this construct interesting to explore. The qualitative research of this study finds this to be an important construct. As per the respondents, the social enterprises are realizing the importance of the source and quality of funding. They have come to terms with the professional ways of the funders (Anjaly, 2013).

The measuring indicators chosen for this are

1. Clarity of terms
2. Source of funding
3. Usefulness of Innovative funding options
4.3.14 **Growth/scaling up** – It represents the challenge faced by social enterprises in moving up in the venture life cycle. Scaling up is a challenge which is quoted by most of the respondents. The effective scaling up can be achieved through systems, processes, networks and training of manpower (Bradach, 2004).

The measuring indicators for this are

1. Identifying right channel partner
2. Replication through franchisees
3. Partnership with local NGO/ SHGs

4.3.15 **Lobbying** – Bloom and Chatterji (2009) have defined lobbying as ‘the effectiveness with which the organization is able to advocate for government actions that may work in its favor.’ In line with this thought, the construct has been taken as the ability to change the policy or the ecosystem with the help of good network with the Government.

Even though the social entrepreneurship is considered as an alternative to Government but in some cases the entrepreneurs have to resort to Government’s help to achieve their goal. The strategic management researchers believe that it is important to have interactions with government and other stakeholders who can influence the policy environment (Baron, 1995).

This is being manifested as

1. Hurdles of working with Government
2. Attitude toward networking

4.3.16 **Clarity of Vision** – This refers to the clarity in the vision and mission of an organization. This not only reduces the risk of mission drift but also removes any ambiguity in decision making. A clear vision also inspires the employees and increases commitment of the beneficiaries. This can be measured by:
1. Alignment between vision statement & programs offered
2. Vision dissemination to operation level employees
3. Attitude towards trade-off between Financial Sustainability and Mission
4. Attitude towards profit making

4.3.17 Diversification in the offering to the beneficiary group – The construct explains the decision of the social enterprise about offering different work & services to their existing beneficiaries. The homogeneity of the beneficiary group can be the supporting argument for this strategy. The strategy can also be helpful in dealing with the projects offered by the government and other funding agencies. It also helps in in-depth scaling up. But this carries the risk of mission drift. The manifest variables are:

1. Attitude toward this strategy
2. Comparison between this strategy and Geo-Spread strategy

4.3.18 Diversification in the Beneficiary group (Geographical Spread) – This refers to the strategy of the social enterprise to cater different beneficiary groups in different geographical regions. According to Bloom and Chatterji (2009), when the social enterprise serves the geographically disperse beneficiary groups, they need to have multiple units in different locations. This reduces the risk considerably. An appropriate example could be one of the leading microfinance organizations, when their operations in Andhra Pradesh went into losses, their branches in other states saved the company.

1. Use as a scaling up strategy
2. Beneficiary’s acceptance of this strategy
3. Association of trust with this strategy
4.3.19 **Social Attitude** – Social attitude represents the attitude of people towards working in a social enterprise. Changing this is one of the biggest hurdles. According to one of the social entrepreneurs working towards improving the vegetable supply chain, people do not want to work in a social enterprise because they think that selling vegetables is for people from a specific caste (Anjaly and Bhamoriya, 2011). There are many social taboos like this which can affect the working of a social enterprise significantly.

Some people also have perception that all the social enterprises have to necessarily be non-profit. Thus, it should be kept last in the priority of job list.

This has been measured through:

1. Attitude towards working in a social enterprise
2. Priority in the job list

Although in theory more indicators per construct increase the stability and explain the construct better, but as mentioned in the previous chapter few areas such as management research rarely has many indicators (Baumgartner & Homburg, 1996).

In the next step, these phrases under codes were combined and analyzed to be put into categories of ‘challenges and factors affecting those challenges’. For this categorization the terms has been defined as follows:

**Challenges** - those factors which create obstacle in the operation and/or expansion of a social enterprise and the enterprise needs to take action in order to circumvent or mitigate them. They are broadly within the control of the entrepreneur and decision makers.

**Affecting Factors** - Those factors which can have an effect on the challenges of the social enterprise and by increasing or decreasing them, challenges could be mitigated. These conditions are part of the ecosystem in which the enterprise exists.
The table below presents the Challenges & Affecting Factors faced by social enterprises which emerged from the qualitative process.

Table 4.1
List of Challenges and Affecting Factors

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Affecting Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Systems and Processes</td>
<td>1 Age of the Organization</td>
</tr>
<tr>
<td>2 Diversification in Offerings to Beneficiary</td>
<td>2 Lack of Trained Workforce</td>
</tr>
<tr>
<td>3 Diversification in the Beneficiary/Geo-Spread</td>
<td>3 Platform for Networking</td>
</tr>
<tr>
<td>4 Human Resource Management</td>
<td>4 Quality &amp; Source of Funding</td>
</tr>
<tr>
<td>5 Financial Sustainability</td>
<td>5 Lobbying</td>
</tr>
<tr>
<td>6 Creation of Network &amp; Channel Partners</td>
<td>6 Pressure for Mission Drift</td>
</tr>
<tr>
<td>7 Clarity of Vision</td>
<td>7 Social Attitude</td>
</tr>
<tr>
<td>8 Growth/scaling up</td>
<td>8 Government and Other Projects</td>
</tr>
<tr>
<td>9 Market Sustainability</td>
<td></td>
</tr>
<tr>
<td>10 Measuring Social Impact</td>
<td></td>
</tr>
<tr>
<td>11 Beneficiary Acceptability &amp; Involvement</td>
<td></td>
</tr>
</tbody>
</table>

(S&P) (DOB) (DB) (HR) (FS) (NCP) (CoV) (Gro) (MS) (MSI) (BAI) (AgeOrg) (Trn) (PfN) (QoF) (Lob) (MD) (SA) (GP)
4.4 Emergent Theory

The theory which emerged from the data states that “the challenges faced by social enterprises are caused by ecosystem factors. Change in these ecosystem factors will cause the changes in the challenges of the social enterprises.”

As the qualitative phase established these challenges and the factors affecting those challenges, there arise a need to test the intensity of their relationships. Thus, the above list of constructs became the input for the quantitative phase of the research. The quantitative phase tests and establishes the relationship intensity between these constructs.

4.5 Conclusion

The qualitative phase of this mix method research describes the process of Grounded Theory. The goal of grounded theory is to discover theory from the data. This process yielded a combined list of 19 construct representing challenges and affecting factors. These factors are related to each other on the basis of an underlying theory. This theory emerged from this study and as described above, it divides these factors in two categories. These categories share such relationship that change in the ‘affecting factors’ (factors related to the ecosystem) can affect the challenges faced by social enterprises.

Many of these 19 factors have literature related to them. But interestingly some factors like ‘Systems and Processes’ or ‘Platform for networking’ do not have relevant literature in this context, even though many respondents raise these aspects during their interview.

On the other hand, some factors appeared in literature but could not get place in the list of this study. The factors like ‘Internet’ or ‘Collecting Information on Target Market’ or ‘Physical Infrastructure’ though figured in the literature but in the perception of the stakeholders interviewed, it is not that much significant.
The possible explanation could be the fact that India’s social enterprises are still a young industry (Allen et al., 2012). The need identification or the benefits of new techniques and technology are still nascent trends in this sector. Though internet is accepted and most of the enterprises have created their websites, but clearly they have not started leveraging it. There is not much clarity about its potential usage. These beneficiary centric young enterprises are mostly local or they have employed locals, so they hardly feel the need for collecting ‘Information on Target Market’. While solving societies’ toughest problems in the most challenging environment, they rarely get time to pay attention to their own problems created by the lack of ‘Physical Infrastructure’.

Amidst these explanations, the study takes the 19 constructs and proceeds toward the quantitative analysis. The next chapter advances the theory identified, and tests the intensity and nature of relationship between these two categories.