The influence of relational embeddedness on the formation and performance of Social Franchising; An explorative qualitative analyses of four Social Franchises active in the UK from a social network theory perspective

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Abstract

This paper investigates the novel interorganizational format named social franchising which has emerged as a possible solution to tackle the issues of growth and financial sustainability that social enterprises face, to enhance the alleviation of poverty and of other pressuring social issues, and to address the need of many governments to reduce fiscal deficits. We explore the issue of social franchising through case study analyses of four social franchises active in the UK from a social network theory perspective and through the argument of embeddedness. We collected data through face to face semi-structured interviews from the owners of the Social Franchisor. We coded behaviour of actors on the three constructs of formation, partner selection and performance. We investigated the influence of relational embeddedness and its eight core variables on these constructs. Our findings indicate that relational embeddedness plays the preeminent role in the formation, partner selection and performance of social franchises. We learn that the biggest challenges that social franchisors face are: the creation of a straightforward clear model, the training of the partners to a different operationally-wise and commercially-wise culture, and their ability to focus on supporting the whole network.

Keywords

Social network theory, social enterprises, social franchising, relational embeddedness, social entrepreneurship