

## ENTREPRENEURIAL SKILLS EVALUATION OF SOCIAL BUSINESS ADVISORS IN THE EUROPEAN UNION

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### **Abstract**

*Social entrepreneurship and social enterprises in the EU, as part of the social economy, are still an untapped business model, with its own specific features and characteristics. Social enterprises seek mainly support and consultations from experienced practicing business consultants and advisors who not only understand the social sector but also possess the necessary skills, qualifications and competencies to provide quality advice. The development of social entrepreneurship and social enterprises, led by entrepreneurial intentions but focused on social objectives, is a trend which is observed in the EU countries with a different level of economic development and specificity in legal systems. The development of the skills and competencies of business advisors aim to improve awareness and partnership relations with social enterprises. This development is based on the personal experience and achievements of business advisors, which it provides in the form of professional advice on a range of topics related to the social enterprises. The aim of this article is to explore the entrepreneurial skills evaluation, competencies, additional qualifications and training needs in terms of the gap between the current and the desired state of knowledge, skills and qualifications of the social business advisors in EU.*

**Key words:** social entrepreneurship, social enterprise, development

### **INTRODUCTION**

Social entrepreneurship is identified at European Union (EU) as a key instrument for regional cohesion and overcoming the problems of poverty and social exclusion. As part of its policy to promote the social economy and social innovation, social entrepreneurship contribute to achieving the strategic goals set in 2020 [6].

The promoting of the concept of social entrepreneurship is of a business activity, oriented not only to maximizing profit, but to achieving results related to the welfare of the whole community and to certain socially disadvantaged groups [4].

Social enterprises are created to achieve social objectives (overcoming social injustice and social inequalities of vulnerable groups of people or achieve important public goals in the fields of ecology and sustainable development) and subject its economic activity, in contrast goals of profit in favor of individuals. Social enterprises pursue a direct leading goal to create social benefits in the public interest or for their members. For the

conditions in Bulgaria the investment in social entrepreneurship may become a key factor in providing employment and development of entrepreneurial initiatives leading to sustainable rural development. Social entrepreneurship is a paradigm that can be seen as one of the solutions to reduce poverty, migration, depopulation and retention of the working population in rural areas [3].

The research presents the results of a pilot study held in EU under the SESBA Project - Social Enterprise Skills for Business advisors.

### **MATERIALS AND METHODS**

The current research is based on analyses of existing regulations, strategic documents and analysis of the development of social entrepreneurship in Bulgaria. The results of a pilot study under the Erasmus+ project "Social enterprise skills for business advisors" are used. The latter embrace a survey of opinions, evaluations and expert analyzes of representatives of various categories of organizations in expert and managerial positions. The collection of the primary data included a questionnaire survey to collect

information and data by using a face-to-face interview. 104 representatives of different types of organizations from the South Central Region, administrative district of Plovdiv were interviewed. The survey included representatives of small and medium-sized enterprises, social enterprises, training and non-governmental organizations which support social entrepreneurs or provide consultancy services on the following issues:

- 1.Types of organizations providing consulting to social entrepreneurs
- 2.Business advisory offered to social entrepreneurs
- 3.Supporting frame for social entrepreneurship start up
4. Social entrepreneurs needs for advisory.

The secondary data were extracted from official data, reports and official websites, etc.

## RESULTS AND DISCUSSIONS

Assessing the need for training in different areas the respondents' answers emphasize management, strategic management, business planning, participation in funding programs, finances, fundraising, legal services and access to markets. The need for training in the field of marketing analysis, technology and participatory leadership is valued lower by respondents. The additions are oriented towards the need of training on the very essence of social entrepreneurship, social services, soft skills, ICT and communication skills, psychological trainings [1].

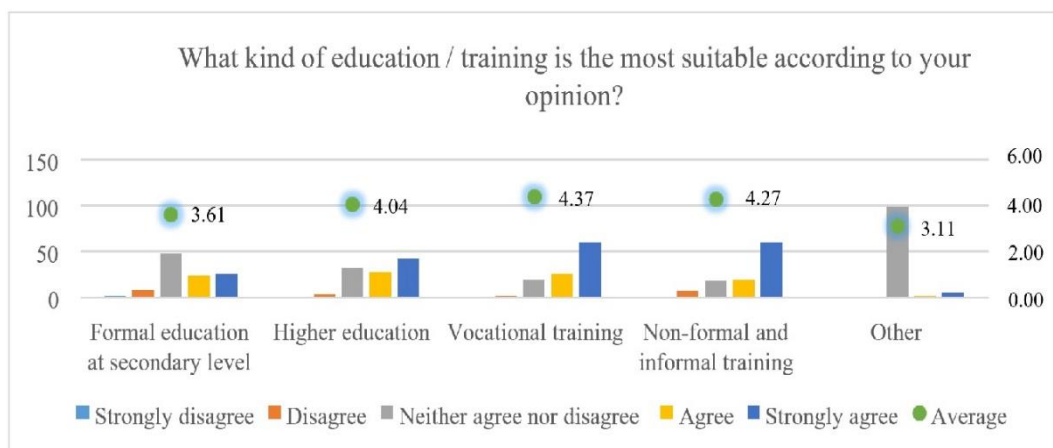


Fig. 1. Respondents' answer at the question: "What kind of education/training is the most suitable according to your opinion ?"

Source: Own calculation.

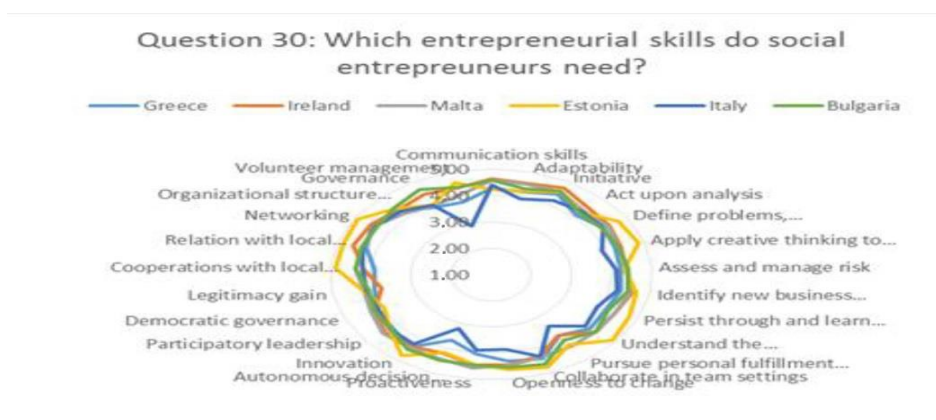


Fig. 2. Respondents' answer at the question: "Which entrepreneurial skills do social entrepreneurs need?"

Source: Own calculation.

Developing the entrepreneurial skills and competencies of social business advisors aim

to improve awareness and partnership relations with social enterprises. This

development is based on the personal experience and achievements of business advisors, which it provides in the form of professional advice on a range of topics related to the social enterprises. The knowledge, competence, and awareness of the business advisors is the ability to understand the expectations of social entrepreneurs and to decide how these expectations should be met.

The main role of social business advisors in advising social entrepreneurs is an advisory role. Business advisors have responsibility for decision-making and management within the framework of their joint work. The main skills of social advisors targeted at social entrepreneurship could be presented as follows in Table 1 (SESBA O2, 2016) [1].

Table 1. The entrepreneurial skills and competencies of social business advisors in EU

Fields of knowledge	Specific knowledge of social entrepreneurship
Various types of advice	Advisory skills in social entrepreneurship
Business Management	Knowledge of business and management principles involved in strategic planning, human, material and financial resources allocation, leadership technique, coordination of people and resources.
Economics and Accounting	Knowledge of economic and accounting principles and practices, financial and banking markets, analysis and reporting of financial data, managing financial flows and budgets.
Customer and Personal Service	Knowledge of principles and practices needs assessment and customer satisfaction, achievement of quality standards.
Personal competences, interpersonal skills, digital skills	Active listening and listening ability, understanding of key issues, ability to ask questions; ability to use modern digital technologies for communication and interpersonal contacts and understanding; avoiding conflicts and inconsistencies.
Problem solving	Ability to identify complex social issues, evaluate options and implement solutions.
Analysis skills	Knowledge and skills to analyse the characteristics and requirements of the services or products needed to implement social projects and analyse the needs of the client / social enterprises. IT literacy.
Educational background and training	Social business advisors in the field of social entrepreneurship are highly qualified specialists from different business sectors. Their education and experience allows them to engage in advisory activities such as attorneys, accountants, marketing and management experts of social activities and others.

Source: Own research.

Social business advisors face a number of obligations and tasks when providing services to social enterprises. They should be aware of their role and scope within the social enterprise. A set of skills and qualifications are needed to enable the advisors to provide their services most effectively. The required skills and competencies vary depending on the nature of the consultancy services, but they are mainly focused on business management and business development [4].

The entrepreneurial skills and competencies of social business advisors intended for social entrepreneurs are focused on the effective management of a portfolio of clients participating in a variety of funded/sponsored schemes, programs and initiatives in order to help them and to support the creation and sustainability of their own business, assistance

of business planning, business development and management, project management, training or mentoring.

The assessment of entrepreneurial skills in social enterprises ranges from good to very good for all of the skills listed in the following descending gradation: management; teamwork; initiative; communication skills; openness to change; innovation; organizational structure and culture; independent decision making; identifying new business opportunities; pro-activity; volunteer management; risk assessment and management; understanding the motivation and views of stakeholders; relation to local communities; cooperation with local authorities and institutions; networking; adaptability; creative thinking in vague problems; problem definition, opportunities

and solutions to create value; participatory leadership; resistance to and learning through mistakes; action after analysis; democratic

governance; obtaining legitimacy; pursuit of personal realization as a member of a value-creating profession (Fig. 3).

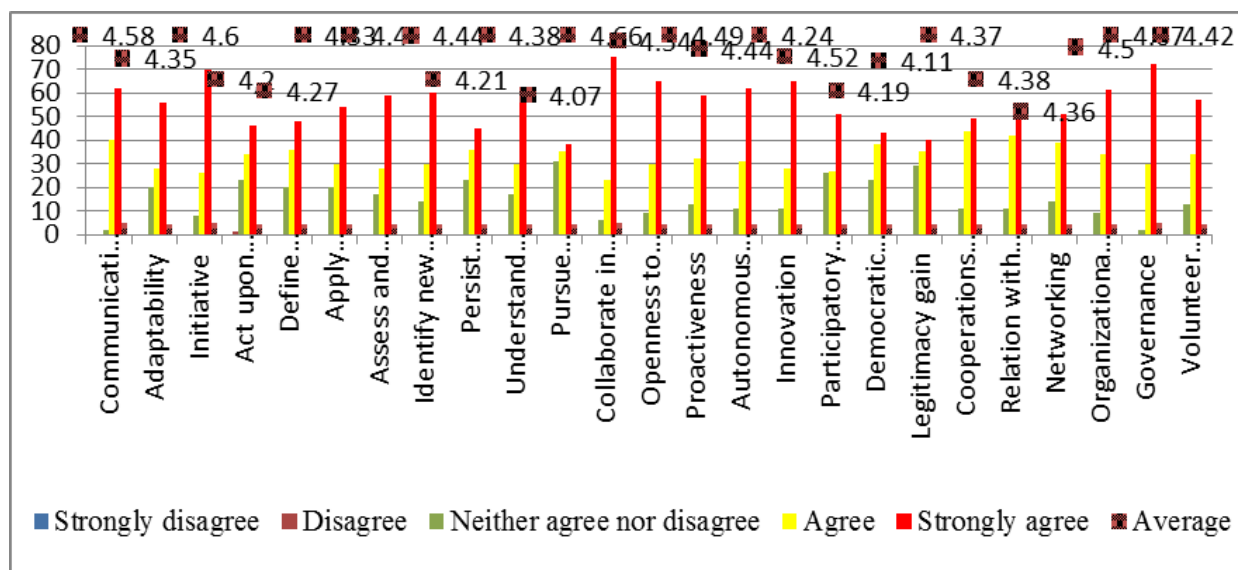


Fig.3. Need for entrepreneurial skills  
 Source: Own calculation.

The respondents stated that all forms of education (formal, informal and non-formal) are essential for developing entrepreneurial competencies [4].

In addition, the study set out the role of advisors in the training of employees in social enterprises, the realization of contacts and lasting relationships with social partners as well as the opportunities for development of social activities and communication. 66% of the respondents stated that they fully agree with specialized trainings in the field of social entrepreneurship. Vocational/professional training was the most appropriate according to the average assessments given by the respondents, followed by non-formal and informal education. In terms of higher and secondary education the fluctuations were greater [4].

The main content of the training is to understand the role of the business advisor in identifying the opportunities for improvement of services for social enterprises, development of professional networks in the field of social entrepreneurship. This will contribute to a better understanding of the expectations of social enterprises and will decide how these expectations need to be met [2].

## CONCLUSIONS

In the European Union the majority of the social enterprises are of social enterprises for work and integration type. They aim to create employment and integration into the labor market of people with disabilities. The existence of long-term unemployment of certain social groups, the limitations of traditional policies on the labor market and the need for more active and innovative integration policy raise questions about the place of the social enterprises and the important role to play in tackling unemployment and promoting growth employment. In this way, the social enterprises promote the sustainable integration into employment of low-skilled unemployed who are at risk of long-term exclusion from the labor market [9].

Social enterprises have a key role in regeneration and economic development and in the promotion of social inclusion. Social enterprises operate in EU and developed traditionally as a means of providing employment and in the fields of education, social services and in rare cases, education, health and culture [10].

The social enterprises need additional capacity, as well as in the development of projects to bring additional funding, and the development of organizational capacity and strategic business planning. Further training in business planning, accounting, financial management, marketing, building partnerships and coalitions so on. Moreover, they need specialized advice in those areas.

Social enterprises need mainly support and advice provided by well-trained practicing business advisors who possess the necessary key skills, qualifications and competencies to provide quality advice for the development of social enterprises [8]. There is a strong need for trainings focusing on the acquisition of knowledge and entrepreneurial skills for social entrepreneurship, consultancy techniques and acquisition of soft skills. The problems in providing consultancy services to social enterprises are mainly due to the lack of information, knowledge and lack of adequate, timely and sufficient support, which, again, draws the attention to the need for specialized training for business advisors that covers a number of issues in the area of law, governance, economy and finance of social enterprise [5].

The support and promotion of social enterprises can contribute to maximizing their growth potential and capacity to create social added value, expressed in terms of job creation, creative approaches to small business, new opportunities for social inclusion [7].

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