Micro entrepreneurship in the care sector
Hall, Kelly; Needham, Catherine ; Allen, Kerry

Document Version
Peer reviewed version

Link to publication on Research at Birmingham portal

Micro Entrepreneurship in the Care Sector: Motives, Values and Practices

Dr Kelly Hall

Department of Social Policy, Sociology and Criminology

Muirhead Tower

University of Birmingham

Birmingham

B15 2TT

k.j.hall@bham.ac.uk

01214158027

Professor Catherine Needham

Health Services Management Centre

Park House

Edgbaston Park Road

University of Birmingham

Birmingham

B15 2RT

c.needham.1@bham.ac.uk

Dr Kerry Allen

Health Services Management Centre

Park House

Edgbaston Park Road

University of Birmingham

Birmingham

B15 2RT

k.allen@bham.ac.uk

Abstract

This paper uses qualitative interviews to explore the identity of care micro enterprises, focusing on the motives, values and practices of the people who set them up (the 'micro entrepreneurs'). It draws on a bricolage framework to demonstrate how they use local resources and networks, as well as traits of creativity and improvisation to overcome limitations and get ahead within a turbulent and under-resourced social care sector. In doing so, it contributes to debates on hybridity, in particular the internal and external conflicts that hybrid organisations like micro enterprises face when managing competing social and market logics.

Until the early 1990s, Local Authorities in England were both the provider and purchaser of care services. Since then the sector has been opened up to market reform and entrepreneurship leading to the development of a mixed economy of care that encourages competition between different providers. This has led to the retrenchment of public care services, increasing numbers of private care organisations, and an increased role for the third sector in care delivery (Roy et al., 2017; Hall and Hazenberg, 2016). Within this space, there has also been widespread support for small-scale care services in the form of micro enterprises, defined as organisations with five or fewer workers that deliver care and support services (DH and NAAPS, 2009). They have been actively encouraged by policy makers as being able to deliver more personalised, flexible and innovative care and support than large-scale public or private providers (DH and NAAPS, 2009; DH, 2010). Advocates of micro enterprises indicate that despite them primarily being businesses (i.e. operating on a for-profit basis), they tend to be socially oriented and 'caring' in their approach, prioritising the needs of users over profit (Lockwood, 2013). As a result, these 'hybrid' organisations appear to straddle the public and private, as well as the for-profit and not-for profit sectors (Pestoff, 2014). Recent years in the UK have seen a growth in the number of hybrid organisations delivering health and care services, including through social enterprises, co-operatives and mutuals. These organisations can face internal identity struggles and conflicting demands as they attempt to manage competing social and market logics (Doherty et al., 2014; Teasdale, 2012). This paper examines 'hybridity' using the case of care micro enterprises. It aims to explore the identity of care micro enterprises and their orientation towards the state, market and civil society by focusing on their values, motives and practices.

To achieve this aim, the paper centres on the stories of the actors involved in the care micro enterprises, in particular those who set up and run the enterprises (the 'micro entrepreneurs'). It draws on a framework of 'bricolage', focusing on the importance of the locally embedded resources and networks that they draw on to both start up and survive. 'Bricolage' has been applied as a conceptual tool to explore entrepreneurship within environments of scarcity (Phillimore et al., 2016, 2019) and the concept of 'social bricolage' has been developed to refer to highly localized activities that are designed to address local level needs (Bacq et al., 2015; Phillimore et al., 2016, 2019). The

characteristics of social bricoleurs include 'making do', 'improvisation', 'using resources at hand' and 'local embeddedness' (Di Domenico et al., 2010; Zahra et al., 2009) and we go on to argue that these reflect those of care micro entrepreneurs as they attempt to negotiate competing internal and external demands. Advocates of care micro enterprises indicate that they have limited resources yet are embedded within the communities within which they operate and so draw on local networks and resources to start up and operate (Lockwood, 2013; DH and NAAPS, 2009).

The paper draws on qualitative interviews to explore the practices, values and motives of the micro entrepreneurs during the three key stages of entrepreneurship (Austin et al. 2006; Haugh, 2007): first, opportunity recognition and motivation to set up the enterprise; second, opportunity exploitation including accessing and mobilising resources; and third, sustainability including aspirations to scale the enterprise. The paper offers an original contribution in two key areas. First, it draws on hybridity to help understand the challenges and opportunities of care micro enterprises. Whilst there is a growing literature on social enterprises and other hybrids in the health and care sectors (e.g. Hall and Hazenberg, 2016 Roy et al., 2017), outside of one research study undertaken by the authors (see Needham et al., 2016), little is known about care micro enterprises. This is despite wide-spread policy support for them (DH, 2010). Second, whilst bricolage has been previously applied to social entrepreneurship (Di Domenico et al, 2010), this paper is the first to apply the theory to care micro entrepreneurship. In doing so, it extends academic understanding of micro and community level resource use and enables practitioners to see how small care services may be well placed to respond to complex care needs in a resource scarce environment.

The Emergence of Micro Enterprises in the Care Sector

Micro enterprises have been defined as very small locally based organisations, with five or fewer full time workers, set up to meet the needs of an individual or small group (Community Catalysts, 2011; 2014; Department of Health and NAAPS, 2009; DH, 2010). In contrast to third sector providers, micro enterprises are defined by their size rather than organisational sector or legal status and so take many legal forms with either commercial or not-for-profit status (Lockwood, 2013). The exact number of micro enterprises in the UK is unknown, as many operate 'below the radar' on a highly informal basis, especially in sectors like social care (MacGillivray et al., 2001). This study however, focuses on micro enterprises with a trading income as it is primarily interested in how they can contribute to formal care provision and their role in a broader mixed economy of care.

Advocates of micro enterprises suggest that even when they are established as for-profit businesses, micro entrepreneurs are not normally motivated by profit. Instead, they are usually set up through a desire to help other people or communities, including those who are marginalised and unable to access traditional care services (Lockwood, 2013; DH and NAAPS, 2009). As a result, micro enterprises can be very different from the formal and professional environments of larger organisations, with Donahue (2011) noting that in larger formal organisations the focus is on performance management and providing services *for* people, compared with micro organisations where the focus is on working *with* people. They have therefore been seen by some as the organisational realisation of the personalisation agenda that aims to give choice and control to the users of care and support services (Putting People First, 2007; DH, 2010). Micro enterprises appear to indicate a socially oriented motivation; yet despite this, over half of all micro enterprises are established as commercial businesses (e.g. company limited by guarantee, sole traders) (Lockwood, 2013). A further 30-40 per cent are delivered on a voluntary/semi voluntary basis (so may not have a trading income), and whilst they may look like social enterprises which have a combination of commercial and social values, only around 10 per cent of micro-enterprises are actually social enterprises (Lockwood, 2013; Community Catalysts, 2011). They therefore span the boundaries of

the third, public and private sectors, leaving them as what many scholars would refer to as 'hybrids' (Doherty et al., 2014).

A growing body of research suggests that hybrids have an advantage in tackling some of society's more complex or 'wicked' problems due to their ability to combine logics creatively from the state, market and civil society (Vickers et al, 2017). The knowledge, networks and capabilities of hybrids can span multiple dimensions, resulting in greater co-production between those who provide and benefit from services, and ultimately enabling them to offer innovative solutions that more effectively meet the needs of the people they serve (Vickers et al., 2017; Simmons, 2008; Needham, 2008). Other studies have, however, outlined the tensions and compromises inherent in hybrids, particularly when third sector organisations adopt marketised approaches that compromise their social goals and take them away from the communities they were set up to serve (Eikenberry and Kluver, 2004). This hybridity may particularly affect micro enterprises, which also face a 'liability of smallness' (Donahue, 2011) in terms of their sustainability, legitimacy, volatility and operating environment. It has been noted that micro entrepreneurs can struggle to access resources and funding, and legislative practices often do not accommodate the individual nature of very small organisations (Donahue, 2011). Their smallness might also mean that they are not able to benefit financially from the economies of scale associated with larger organisations. Subsequently, micro entrepreneurs may be pushed into growing their enterprise and in doing so lose their distinctiveness and personalised approaches (Donahue, 2011).

Whilst growth is often seen as a key indicator of success, including for small, voluntary organisations (Lyon and Fernandez, 2012; Wright and Stigliani, 2012), other research indicates that very small organisations are often happy to remain operating at a micro scale. Whilst growth can maximise profit (Ram and Trehan, 2010; Dellot, 2014) or create greater social impact (Lyon and Fernandez, 2012), many community and voluntary organisations have little appetite to scale up (McCabe and Phillimore, 2012). This may be especially true in the care sector, with a Putting People First (2007) report indicating that care micro entrepreneurs feel they can retain control and better support their community if they operate at a very small scale. Thus, micro entrepreneurs are those who operate at a local scale, address local needs and draw on locally based networks, and as a result can be constrained in both their desires and opportunities to scale. Such characteristics underpin the notion of social bricolage and so it is through the lens of bricolage that micro entrepreneurship is further explored.

Micro Entrepreneurs as Bricoleurs

The original concept of bricolage was coined by Levi-Strauss (1967) when referring to the process of 'making do with what is at hand' and has since been used extensively in many fields, including around welfare (Phillimore et al., 2016, 2019), institutions (Cleaver, 2012) and entrepreneurship (Di Domenico et al., 2010). Within the entrepreneurship literature, bricolage has been used to refer to the way in which social and commercial enterprises innovate and adapt to resource scarce environments (Di Domenico et al., 2010). Three key bricolage characteristics emerge from this literature. First, 'making do with resources at hand' which refers to using and combining existing resources to respond to new problems and opportunities where resources are otherwise scarce (Di Domenico et al., 2010; Baker and Nelson, 2005) and implies active engagement with problems or opportunities (Baker and Nelson, 2005). Di Domenico et al (2010) refer to bricoleurs as being able to 'create something from nothing' and so 'resources' include drawing on existing skills, practices and networks in alternative and innovative ways. This leads to the second characteristic, 'improvisation and creativity', with the latter being referred to by Phillimore et al (2016:12) as 'discovering under-

utilized or hidden resources or recombining existing resources to tailor them to the challenge'. Weick (1993) argues that bricoleurs are able to remain creative under pressure, drawing on materials at hand to create novel combinations in the face of conventional limitations. This relates to the third characteristic, a 'refusal to be constrained by limitations', and includes those imposed by institutional and/or political settings (Di Domenico et al., 2010). The failure of government and/or the private sector can motivate bricolage behaviour, and so it is indeed limitations that can drive bricolage (Di Domenico et al., 2010; Phillimore et al., 2016).

Bricolage has been seen as particularly applicable to the social welfare field leading to the development of the term 'social bricoleur' (Di Domenico et al., 2010; Bacq et al., 2015; Zahra et al., 2009); defined as an entrepreneur acting on locally discovered opportunities with locally available resources and networks to enact change and address local needs (Zahra et al, 2009). This might include for example drawing on personal networks of family and friends (Baker et al. 2003; Di Domenico et al., 2010), and leads to a fourth bricolage characteristic of 'local embeddedness' (Smith and Stevens, 2010). Social bricoleurs are differentiated from other social service providers or entrepreneurs by using their localised knowledge to discover and respond to local social needs that larger organisations are often unaware of (Zahra et al., 2009). This 'social embeddedness' can be used to mediate the flow of resources, knowledge and information (Granovetter, 1985; Hazenberg et al., 2016). Social bricoleurs can therefore draw on their networks to harness resources and adapt quickly to changing circumstances. However, their high levels of 'local' embeddedness may mean that most of the knowledge that they possess does not exist outside of their local context (Zahra et al., 2009; Hayek, 1945). This can constrain choices and limit the ability of bricoleurs to scale either geographically or address larger needs outside of their realm (Zahra et al., 2009; Phillimore et al., 2016; Smith and Stevens, 2010).

Methods

This paper draws on interviews with care micro-entrepreneurs i.e. people who set up micro enterprises that deliver care services. Only trading organisations offering a paid-for service were included. The micro enterprises were located in three areas of England, which were selected to differ from each other in their regional/demographic profiles. They were all areas with a known network of micro-enterprises. An initial mapping exercise involving the identification of care providers in the three sites was used to identify a purposive sample of micro-enterprise organisations. The final sample was selected for diversity and included: care supporting older people and people with learning disabilities; local authority, private and third sector providers; and different types of care services (domiciliary, residential, day services, support in the home and brokers).

This paper draws on 27 interviews with micro entrepreneurs, micro enterprise staff and micro-enterprise co-ordinators (see table 1). The interviews were carried out in 2014. Seventeen of these interviews were with the person who set up the micro enterprise, plus two interviews with the owners of two 'small' organisations that had initially been selected as micro enterprise cases and had grown in size by the time they were interviewed (with 10-15 FTE staff). It also includes one interviewee from a medium sized organisation that had grown in size from a micro enterprise in the few years before the research study began (at the time of interview it had approx. 20 staff/volunteers). These additional three organisations were included as they had only recently grown and continue to identify with the micro enterprise networks through which participants had been recruited. They also offer an interesting dimension to the analysis around micro enterprise

growth. Five micro-enterprise co-ordinators (people in each local authority who had a role around developing and supporting micro-care provision) were also interviewed, as well as two people who worked for the micro enterprises.

Table 1: Interviewees

No of Interviews	Type of Interviewee	Organisation size
17	Micro-Entrepreneur	Five or fewer FTE staff
2	Entrepreneur	Small (10-15 FTE staff)
1	Entrepreneur	Medium (approx. 20 FTE staff)
2	Micro enterprise employees (carers)	Five or fewer FTE staff
5	Micro-enterprise co-ordinators	Based in Local Authorities

The enterprises were found to change in size during the two years of our project (2014-15). Whilst some remained the same, others grew and some also shrank or even closed down. These cases therefore indicate a limitation of using 'size' as a variable, but do provide valuable insights into the micro enterprise journey and experiences of growth which are reflected in the findings. Of the 17 micro enterprises, seven were established as sole traders, two as partnerships, five as limited companies, two as charities and one was a community interest company (UK legal organisational form for social enterprise). The two small organisations were limited companies and the medium organisation was a charity.

The interviews focused on why the enterprises were set up, what enabled them to set up, what they felt the strengths and limitations of running the enterprise were and their intentions for the future, including any intention to grow. Similar questions were asked to those which had grown in size, but the focus was on why they had grown and their experiences of growth from a micro to small or medium enterprise. Ethical approval for the research was provided by the national Social Care Research Ethics Committee. Participants were given an information sheet in advance of the interview, all gave formal written consent and all collected data was anonymised. The interviews were conducted face-to-face and were audio recorded, transcribed and uploaded into QSR-NVivo 10, a qualitative data analysis software programme, for coding. The data was analysed using a process of thematic coding, with the first step involving the development of a coding framework (Attride-Stirling, 2001) underpinned by both the research questions and key bricolage characteristics identified above. Inductive coding was used to develop sub-themes through the extraction of salient, recurring or significant issues within the initial codes (Attride-Stirling, 2001). Selective coding was used to select cases and quotes to illustrate major themes (Fielding, 2008), some of which are used in the following sections to illustrate the findings.

Findings

The following analysis explores the journeys taken by the care micro entrepreneurs. We focus on the challenges and opportunities they encounter as they attempt to negotiate across social and commercial logics in a resource poor social care environment. We focus on three key stages of entrepreneurship (Austin et al, 2006; Haugh, 2007): first, opportunity recognition which centres on the start-up motivations of the micro entrepreneurs; second, mobilising resources, focusing on the

resources used to start-up and sustain the enterprises; and third, sustainability, where we focus on the future aspirations of the micro entrepreneurs especially around growth. In each of these stages, we discuss how bricolage underpinned the decision making and actions taken by the micro entrepreneur actors, focusing on the bricolage characteristics of improvisation and creativity, making do with resources at hand, refusal to be constrained by limitations and local embeddedness.

Start-Up Motivations

The findings first explore the micro entrepreneur's motivations for setting up their enterprise. These motivations were mostly internally driven (Haugh, 2007) through their own experience as paid or unpaid carers. Interviewees frequently referred to the poor quality of care they had previously experienced as a carer, care manager or care user, and had found care services to be inflexible and impersonal. They also referred to gaps in existing care provision, with traditional care services often excluding the needs of minority groups such as black and minority ethnic (BME) people. This inspired a motivation to 'do it better themselves'. The key resources used to start up the micro enterprises were the locally embedded experiences and skills of the entrepreneurs themselves. The entrepreneurs had established the enterprise in response to a social problem and unmet need by combining their personal skills, knowledge and experience to offer an alternative to mainstream care, as one micro entrepreneur explained:

> *I think it's about being innovative and creative and actually looking at the market needs and being a shaker and actually responding rather than the same old, because I hate it when people go in to see people with a menu.* (Micro entrepreneur, broker)

It was the failure of the private and/or public sectors, especially those operating at a large scale, which motivated these micro entrepreneurs. Underpinning the motivations of the micro entrepreneurs were the bricolage characteristics of 'improvisation and creativity' (Phillimore et al, 2016; Weick, 1993), which were used to enable them to deliver more personalised and flexible care. Interviewees referred to their ability to respond to local needs as a micro entrepreneur, which they felt was not possible when working for a larger organisation:

> *Because I'm smaller as well I can, I'm in more control, you know, I mean, I worked within a bigger organisation, I was the same person but you're not able to do as much as you want to do when you're kind of swallowed up amongst all that red tape.* (Micro entrepreneur, day care)

Few of the micro entrepreneurs had any prior experience of running a business (either commercially or socially) and so they could be referred to as 'nascent entrepreneurs' (Germak and Robinson, 2014). They were driven by a deep-rooted compassion and altruistic desire to provide better care, as explained by a micro enterprise co-ordinator:

> *I would say that they [people who set up care micro enterprises] are far more able to be more creative and innovative because that's why they're doing it in the first place. Like most of the people that I've supported and worked with haven't been very business minded people, you know, they're not money driven. I mean yes, they've got to make an income and they've got to pay their mortgages and bills and rent and all of that but it's not all about let's make as much as we can, it's all about what can I do to make a difference to the people's lives that I'll be supporting and I think that is the difference.* (Co-ordinator 1)

Their motivations were often emotionally driven through compassion for others, indicating socially oriented entrepreneurship (Andre and Pache, 2016). This explicit focus on pro-social goals, alongside

the recognition of the failure of the public and private sector, also clearly reflects a civil society or third sector logic.

Resource Mobilisation: 'Refusing to be Constrained by Limitations'

The micro entrepreneurs were working within environments characterised by a paucity of resources. The care sector itself has been recognised as a highly under resourced sector, argued to be 'at breaking point' due to budget cuts and rising social care bills (Butler, 2017). The bricolage characteristics of 'improvisation' as well as 'making do' (Di Domenico et al. 2010) were clear themes that emerged when discussing the resources employed to both start up and sustain the enterprise. However, the notion of 'refusing to be constrained by limitations' came through particularly strongly here. Financially, the micro entrepreneurs had limited access to external resources, and whilst a few of the micro entrepreneurs were able to access small Local Authority start-up grants, most had invested their personal finances into the enterprise. This included not only investing their own money to start up the venture, but also drawing little or no income in order to sustain it:

> *I've kept this going by my personal funds… I've ploughed in money, so when we're not making money, I've propped it up… I've gone for six or seven months without drawing anything.* (Micro entrepreneur, domiciliary care).

The micro entrepreneurs had therefore become adept at overcoming limitations, including financially by using their own personal resources. This indicates the dedication of the micro entrepreneurs, both emotionally and financially, to their venture and they recognised that this dedication came with a high degree of risk:

> *Maybe [I am] taking more risks than normal but sometimes you have to, don't you, to kind of engage.* (Micro entrepreneur, day care)

The small size of the enterprises limited their access to loans and grants, as well as training and support programmes that are designed for larger care organisations (as also indicated by Lockwood, 2013). The micro enterprises also tended to be excluded from Local Authority preferred provider lists, further limiting their access to funding and resources, as a micro enterprise co-ordinator explained:

> *If I was a micro I might not be able to get onto the County Council's preferred provider list because I'm not able to go through that process, you know, I might not*
> *have enough money in my bank, you know, I might not be able to show finances for the last few years. All of those things that people have to do to jump through the hoops to say 'I am an approved provider'.* (Co-ordinator 1)

Resources for the micro entrepreneurs were often drawn from the local community within which they were embedded. This 'social embeddedness' (Granovetter, 1985) was demonstrated through their strong engagement with service users and the local community, as well as other care services including micro enterprises. Some of the micro enterprises were set up by disabled people, whilst others worked with and employed users of care services which arguably led to a blurring of boundaries between service provider and service user. Many of the micro-enterprise cases included disabled people, especially younger people with learning disabilities, as board members or as active 'members' who had a say in how the organisation was run:

> *It's defined by the people who the services are really for and to make them an integral part of the company.* (Micro entrepreneur, day care).

In addition to working with people who use care services, the micro enterprises often drew on members of local and informal networks for support and as members of staff. This included family members being employed on a casual basis to increase capacity when needed, for example asking a husband or partner to help out by driving or taking clients out. Using these types of informal, temporary and family-based arrangements to increase capacity is known to be a feature of many small, grassroots and below-the radar organisations (Soteri-Procter et al., 2013; Edwards and Ram, 2006; McCabe and Phillimore, 2012). However, research has also referred to the difficulties of pairing family with a business and the blurring of boundaries between formal and informal support (Baines and Wheelock, 1998). The way in which the micro enterprises operated not only blurred the boundaries between people as service users and service provider, but also the boundaries between formal and informal care. For example, the entrepreneur from one of the organisations that began as a micro enterprise and has now grown to become a medium sized organisation, explained that her husband often takes clients out on day trips:

> *And the other thing we've found quite successful is, my husband works with us two days a week and my husband's a retired police officer so he's obviously seen and done a lot, but he supports quite a few of the men, the men like to have a man to go out with and we've done all sorts of things, like we took a retired air force officer to see [air show].* (Entrepreneur, medium sized enterprise, support in the home)

Furthermore, all of the micro entrepreneurs were wary of employing staff they did not know and so employed more flexible approaches to staffing. Some employed a small number of locally based staff that they could trust, as explained by one of the entrepreneurs whose care service had very recently grown:

> *The idea is local people looking after local people so that's what we want to be doing really.* (Entrepreneur, small enterprise, domiciliary care).

The micro entrepreneurs therefore used their community embeddedness to recruit staff that also understood the needs of that community. As Smith and Stevens (2010) indicate, these embedded ties create trust and bounded solidarity. Further, on a more practical level, employing local people meant that when providing domiciliary care, the amount of travel time between clients in minimised. The resource base of the micro enterprises was therefore local and often quite informal in nature, as one micro entrepreneur explained:

> *We're looking to be very, very local. Within a four-mile radius of here.* (Micro entrepreneur, domiciliary care)

Informality and localism are key characteristics of social bricoleurs, and as Phillimore et al. (2016:10) explain, social bricoleurs are differentiated from other social service providers by the unique way in which they 'identify local opportunities, marshal necessary resources, and deliver services to the disadvantaged'. Further, as with social bricoleurs, the solutions developed by the micro enterprises tended to be small scale, and designed to solve local social problems (Phillimore et al. 2016). Decision making for the micro entrepreneurs could be impromptu and creative, as their main priority was to constantly respond to different needs rather than adhering to standard practices and protocols. They often drew on 'hidden' or 'untapped' local resources in an impromptu manner (Di Domenico et al., 2010), including drawing on informal networks and providing care in 'non-traditional' ways. Access to formal resources, including finance and referrals, was extremely limited; instead, clients came through 'word of mouth' within the local community in which they were based. As identified in other studies of grassroots organisations (Soteri-Procter et al., 2013), word of mouth was crucial not only to access clients and staff, but also to access informal support and guidance around regulation or funding opportunities.

Whilst this informal resource base and strong local knowledge was an advantage in terms of meeting local need, their 'smallness' also placed a limitation on their ability to access external resources and in turn be financially sustainable. Despite claims by Stinchfield et al. (2013) that social bricoleurs are not generally motivated by financial gain and so can survive in any economic context, the realisation for the micro entrepreneurs was that they needed to make an income in order to survive and be sustainable as a service. This led some of the micro entrepreneurs to consider their future, including whether staying micro was viable.

Growth: Maintaining Local Embeddedness?

Despite the literature indicating that organisational growth is a key indicator of entrepreneurial success (Lyon and Fernandez, 2012; Wright and Stigliani, 2012), all of the micro entrepreneurs were wary of growth. This is not surprising given that their motivations for starting up were centred around the rejection of large scale care provision and the need to deliver locally based solutions. Previous research also indicates that within the care sector, very small organisations are often happy to remain operating at a micro-scale (McCabe and Phillimore, 2012; Putting People First, 2007). The literature has also referred to the way in which social bricoleurs can be restricted in their ability to scale up their operations because of their high levels of improvisation, lack of formal planning and local embeddedness (Phillimore et al. 2016; Smith and Stevens, 2010). These tensions are explored by looking at whether the micro entrepreneurs either wanted to or were able to grow.

In total, over half (nine out of seventeen) of the micro-entrepreneurs had no desire to grow and intended to remain micro in size. This was largely due to a fear that employing more staff would ultimately take away their ability to deliver personalised and flexible care i.e. mission drift where an organisation diverges from its main purpose (Cornforth, 2014). Consequently, their commitment to personalised values came above increased financial stability:

> *I want to grow, but I don't want to get big if we lose the ethos…If you drew a graph – if there's a line at which – if you could do that in mathematical terms, if you broke through the line that says, 'You're going to lose the ethos', then I wouldn't want to break through that. If it meant that my earnings were 300% increased, I don't want that if we lose that feeling that we have now.* (Micro entrepreneur, domiciliary care).

Despite a general wariness of growth, the remaining eight micro entrepreneurs did want to grow their organisation. Of these, six were struggling to grow and two were actually growing but remained micro in size. A further three enterprises that were included had grown in size and were no longer micro enterprises. A desire to grow was partly due to financial pressures to survive. Whilst their small size allowed the micro enterprises to benefit from low overheads e.g. premises and staff costs, it was also a disadvantage when it came to the cost of insurance and regulation as explained by one micro entrepreneur:

> *The insurance started to rise. We had a 30% increase in our insurance. We pay the same insurance and the same CQC licence as a much larger business.* (Micro-entrepreneur, domiciliary care)

All of the growing organisations had grappled with a trade-off between retaining a personalised ethos by staying micro or increasing their financial stability through growth. Many of them had dealt with this 'trade-off' by only growing by a few members of staff and by engaging in particular approaches to scaling. The type of growth undertaken by the micro enterprises was also explored and the study found that rather than 'scaling up' i.e. expanding geographically, the micro enterprises tended to engage in 'scaling across' or 'diversification' by expanding the range of services offered in

their local area or disseminating and sharing good practice with others (Andre and Pache, 2016). For example, the medium organisation included in the study had grown by developing new networks and partnerships, including with other health and care organisations across their local area. Growing their networks allowed them to collaborate and bid for larger contracts, yet at the same time allowed the entrepreneur to retain control of the service, remain local and continue to operate under a personalised ethos:

> *As for how big we get, all I'm concerned is I don't want to compromise quality and I feel that we do offer a quality service… 99% of the time you would remember who the support worker was and, you know, she might even remember oh yes that's so and so's daughter and that's part of the quality service.* (Entrepreneur, medium sized enterprise, support in the home)

Their approach to scaling was therefore different from the growth strategies of commercial organisations which tend to be focused around an increased number of clients and financial gain. Referring to social bricoleurs, Bacq et al (2015) differentiate between 'breadth impact' and 'depth impact', with bricoleurs being much more likely to grow in 'depth' involving the scaling of social impact that is centred on local concerns. Breadth impact was evident within the growing micro entrepreneurs including the above-mentioned medium organisation that had achieved growth through partnerships with other locally based health and care providers. Other micro entrepreneurs were also keen to develop partnerships with similar organisations so that they could grow their social impact:

> *The idea is it's about not working in isolation as well because my own personal experience about working with a client group it's very much about a partnership piece of work to enable someone to realise their potential and find out what's out there before they can access it.* (Micro entrepreneur, day care)

Developing sector level capacity and innovation (as opposed to organisational growth) was fundamental for the micro entrepreneurs when it came to scaling. This was demonstrated by a micro entrepreneur providing creative activities in nursing homes who wanted to support the scaling out of activities in more nursing homes:

> *I really, sort of, genuinely believe there's a need for, you know, more kind of organised activities in, sort of, care and nursing settings. And, you know, with people that have got health and social care needs because I think they're very much a group of people that are quite marginalised and don't, you know, don't get those sort of opportunities* (Micro entrepreneur, day care)

Growth also included investing in sector-level capacity by supporting the development of other locally based organisations by pooling their resources or even referring their clients to a competitor service when they felt it would meet their needs more effectively:

> *I mean we've got an organisation we work with…. They're starting a sensory garden in the back here … we are seriously thinking of working together and utilising each other's transport.* (Micro entrepreneur, day care)

This again indicated the locally-embedded nature and social orientation of these enterprises, even those that had grown larger than a micro enterprise. Therefore, we suggest that underpinning all of these enterprises is a 'micro-enterprise ethos' i.e. a socially driven, empathetic orientation that is played out at a local level.

Discussion

Our analysis focuses on micro entrepreneurs in the care sector and the nature of the enterprises that they establish. We explore the hybridity of these enterprises, seeking to uncover the extent to which their values, motives and practices are aligned with the state, market or civil society. Our analysis suggests that despite most of the micro enterprises in our study being established as commercial businesses (albeit on a small scale including as sole traders or partnerships), the entrepreneurs did not reflect the characteristics of commercial entrepreneurs as they had little motivation around profit (Austin et al., 2006). Instead, their motivations were more socially oriented, focused around delivering good quality, personalised care, and they often took a co-operative approach by working alongside and even referring to competitor organisations. However, at the same time they were under pressure to ensure financial sustainability and deliver services within a resource poor and highly competitive environment. They were therefore operating with conflicting logics and organisational tensions that have been widely recognised to result from hybridity (Doherty et al., 2014). These financial constraints could on the one hand lead the enterprises to adopt more market-like strategies, as many third sector and public services have done since the inception of New Public Management approaches (Eikenberry and Kluver, 2004; Dart, 2004). However, rather than turning to marketised approaches, the micro entrepreneurs chose to bricolage (Zahra et al, 2009); they drew on local resources, creativity and improvisation to both make do and overcome limitations within a turbulent and under-resourced social care sector. It is therefore through this lens that we offer new insights into care micro enterprises and begin to understand the micro level interactions, networks and practices that contribute to both their strengths and weaknesses.

The key bricolage characteristics were present in the stories of all of our micro entrepreneurs; 'making do with resources at hand'; 'improvisation/creativity'; a 'refusal to be constrained by limitations'; and 'local embeddedness' (Di Domenico et al., 2010). Whilst they were seen to approach this in different ways, what united them was their ability to combine local resources creatively to identify and address unmet needs. They often worked in informal and novel ways that included using non-traditional methods to deliver care e.g. creative activities such as fishing and drawing, and also drawing on alternative resources to set up and sustain the enterprises including family members and people who use care services. This local embeddedness did however bind them to a particular place, both physically and emotionally, leaving them both unable (and often unwilling) to scale up geographically (Smith and Stevens, 2010). The interviews indicated that most of the care micro entrepreneurs had no desire to scale up geographically outside of the community within which they were embedded. A few however found themselves in a position where they needed to scale up within their regional area to remain financially viable, but they were unable to grow due to their limited client base and inability to access referrals from the Local Authority. From this perspective, their embeddedness and bricolage characteristics worked against them.

The study also included a small number of enterprises that had grown bigger than a micro enterprise (by employing more than five FTE staff). However, they all continued to display the bricoleur characteristics and maintained strong values centred on personalised, flexible and locally-based care. We refer to this as a 'micro ethos'. This 'ethos' is underpinned by an 'ethic of care' (Gilligan, 1982) that comprises a set of values or moral principles (Barnes, 2012; Tronto 1993) in which 'caring' is a disposition that, when developed by experiences and situations, becomes a practice (Tronto

1993; Andre and Pache, 2016). In the interviews, the entrepreneurs directly referred to this 'ethos', especially when they began to grow. For example, one of the small enterprises commented: *'Our ethos is very much like the micro providers…I know every single one of our clients'*. Andre and Pache (2016) suggest that when an enterprise grows, it is possible for it to retain a care ethic and whilst this initially comes from the entrepreneur's personal ethics and values, this eventually transfers into the 'DNA of the enterprise' (Andre and Pache, 2016). For the micro enterprises that had grown in size, this was manifested through the caring relationships that the entrepreneurs had with their staff and the role of service users and the community within the enterprises. This care ethos was a way for the entrepreneurs to distinguish themselves from the large care providers that many of them fled from in the first place.

Our analysis therefore leads us to explore if micro enterprises can provide a positive future for the English care market. Micro enterprise has been promoted by policy makers as a mechanism to respond to low quality and unresponsive social care provision (DH and NAAPS, 2009; DH, 2010). It is therefore no surprise that a growth in micro enterprise discourse has coincided with social care market failure and the need for Local Authorities to 'do more for less' with shrinking social care budgets and increasing levels of need. Micro enterprises are therefore seen by some policy makers as an alternative solution (DH and NAAPS, 2009), yet to date there is a limited evidence base to support this claim. Micro enterprises may be able to offer excellent value for money for commissioners as they have been found to be no more expensive than larger care providers (Needham et al., 2016), but their 'liability of smallness' means they are unable (and unwilling) to enter competitive tendering processes for public service delivery.

Therefore, one option is to encourage micro enterprises to scale, because as has been evident throughout this study, care services can retain a caring 'ethos' as they grow. However, a growing body of evidence on social enterprises and other hybrid models in the health and care sectors indicates that taking on public sector contracts and the resulting organisational growth, can lead to them losing their independence or moving away from the communities they were set up to support (so called 'mission drift') (Roy et al., 2017; Hazenberg and Hall, 2016; Eikenberry and Kluver, 2004). Few of the care micro entrepreneurs in our study were however interested in large scale public service contracts that tend to require 'scaling up'. Instead they engaged in 'scaling across' or 'out' (Bacq et al, 2015; Lyon and Fernandez, 2012) through the development of new networks and partnerships with other like-minded enterprises. Scaling was focused on reaching more people in the communities within which they were based, rather than delivering care in new areas. Therefore, enabling and facilitating partnership and collaboration opportunities for micro enterprises may not only extend their reach, but also support their sustainability into the future.

A second option might include enabling larger care services to learn from micro enterprises and adopt at least some of their care 'ethos'. Scaling out for micro enterprises could therefore involve the sharing of stories, values and practices as part of a wider network of care enterprises. These stories might include the disillusionment the micro entrepreneurs felt with larger care providers, their ability to harvest resources and work effectively within (and with) a local community. Local Authorities could use these stories to encourage more micro entrepreneurs to work in a wider range of communities but also inspire larger organisations to develop a more 'caring ethos' focused around positive relationships with their users and staff, including how to better involve their users and wider

community in decision making. In essence, it may be possible to encourage larger providers to introduce care into the 'DNA' of their organisations.

Our research is however, not without limitation. It is the first large scale study of micro entrepreneurship in the care sector and so is able to offer new insights into the behaviours, motives and values of these entrepreneurs. Nevertheless, the analysis is based on the inclusion of only 20 cases. Further research is therefore needed to validate and extend our findings to a larger number of micro entrepreneurs in the care sector and to more geographical locations. It also only includes micro enterprises that trade and so research could also include those working on an entirely voluntary basis. The introduction of the Care Act 2014 requires Local Authorities to develop care markets that include small scale provision and this may open up new opportunities for micro enterprises. The care market is already being shaped by this legislation and will continue to do so over the coming years. This will be an area of growing interest for academics and policy makers.

Conclusion

Whilst there is a growing body of knowledge on social enterprises and other hybrid forms that are delivering health (and to a lesser extent care) services in the UK (Roy et al. 2017; Roy, Lysaght and Krupa, 2017; Hazenberg and Hall, 2016), few of these studies concentrate on very small scale enterprises and the micro dynamics at play within them. This paper uses a novel combination of hybridity and bricolage theory to offer new knowledge on micro enterprises in the care sector, and how they operate at the interface of competing commercial and social logics. We focus on the 'stories' of the micro entrepreneurs and the ways in which their own ethical commitments to care can conflict with the social and political systems within which they operate. To overcome these conflicts they adopt a bricolage approach, by drawing on local resources and their creative instincts to address care needs that are not being met by either the public or private sectors. They also embody an 'ethic of care' that begins with the entrepreneur's personal values but as they begin to grow, that ethic becomes more widely embedded in the enterprise itself. By exploring the case of care micro enterprises from a bricolage perspective, we offer original insights into how and why small-scale hybrid organisations enact resources and networks within resource constrained environments. We also provide academics and practitioners with an original understanding of how social care providers can creatively adapt and respond to complex care needs with meagre resources.

References

Andre, K. and Pache, A. 2016. "From caring entrepreneur to caring enterprise: Addressing the ethical challenges of scaling up social enterprises", *Journal of Business Ethics*, 133(4): 659-675.

Attride-Stirling, J. 2001. "Thematic networks: an analytic tool for qualitative research", *Qualitative Research*, 1(3): 385-405

Austin, J., Stevenson, H. and Wei-Skillern, J. 2006. "Social and commercial entrepreneurship: same different or both?" *Entrepreneurship, Theory and Practice*, 30(1): 1-22.

Bacq, S., Ofstein, L., Kickul, J. and Gundry, L. 2015. "Bricolage in social entrepreneurship: How creative resource mobilization fosters greater social impact", *The International Journal of Entrepreneurship and Innovation*, 16(4): 283–289

Baines, S. and Wheelock, J., 1998. "Reinventing traditional solutions: Job creation, gender and the microbusiness household", *Work, Employment & Society*, 12(4): 579–601.

Baker, T. and Nelson, R.E. 2005. "Creating something from nothing: resource construction through entrepreneurial bricolage", *Administrative Science Quarterly*, 50(3): 329–366.

Baker, T., Miner, A.S., and Eesley, D.T. 2003. "Improvising firms: bricolage, account giving and improvisational competencies in the founding process", *Research Policy*, 32(2): 255–276.

Barnes, M. 2012. *Care in everyday life: An ethic of care in practice*, Bristol: Policy Press

Butler, P. 2017. *Councils 'at breaking point' due to budget cuts and rising social care bills*, The Guardian, 10 February 2017, Available at: https://www.theguardian.com/society/2017/feb/10/councils-budget-cuts-social-care-bills Accessed July 2017. Accessed December 2017

Cleaver, F. 2012. *Development through bricolage: Rethinking institutions for natural resources management,* New York: Routledge*.*

Community Catalysts 2014. *Microenterprise*, Available online at: https://www.communitycatalysts.co.uk/whatweoffer/communitymicro-enterprise/ Accessed February 2017

Community Catalysts 2011. *Enterprise for all: care or community support services run by people who have experienced them: a practical guide for enterprising people*, Harrogate: Community Catalysts

Cornforth, C. (2014). Understanding and combating mission drift in social enterprises. *Social Enterprise Journal*, 10(1): 3–20.

Dart, R. 2014. "The Legitimacy of Social Enterprise", *Non Profit Management and Leadership*, 14(4), 411-424

Dellot, B. 2014. *Everyday employers*. London: Royal Society for the Arts.

Department of Health (DH) 2010. *Supporting micro markets*, London: Department of Health

Department of Health and NAAPS 2009. *Supporting micro market development: a concise practical guide for local authorities*, London: Department of Health

Di Domenico, M., Haugh, H. and Tracey, P. 2010. "Social bricolage: Theorising social value creation in social enterprises", *Entrepreneurship Theory and Practice*, 34(4): 681–703

Donahue, K. 2011. "Have voluntary sector infrastructure support providers failed micro organisations?" *Voluntary Sector Review*, 2(3): 391-398.

Doherty, B., Haugh, H., & Lyon, F. (2014). Social Enterprises as Hybrid Organizations: A Review and Research Agenda. *International Journal of Management Reviews,* 16(4), 417-436.

Edwards, P. and Ram, M. 2006. "Surviving on the margins of the economy: Working relationships in small, low-wage firms", *Journal of Management Studies,* 43(4): 895-916

Eikenberry, A. and Kluver, J. 2004. The Marketization of the Nonprofit Sector: Civil Society at Risk? Public Administration Review, 64(2), 132-140.

Fielding, J. L. 2008. 'Coding and managing data' in G. N. Gilbert (ed.) *Researching social life* (3rd Edition), pp. 323-352.

Fox, A. 2013. *Putting people into personalisation*, A ResPublica Green Paper, Lincoln: ResPublica Trust

Germak, A. and Robinson, J. 2014. "Exploring the motivation of nascent social entrepreneurs", *Journal of Social Entrepreneurship*, 5(1): 5-21

Gilligan, C. 1982. *In a different voice: Psychological theory and women's development*. Boston: Harvard University Press.

Granovetter, M. 1985. "Economic action and social structure: the problem of embeddedness", *American Journal of Sociology*, 91, 481-510.

Haugh, H. 2007. "Community-led social venture creation", *Entrepreneurship Theory and Practice*, 31 (2): 161-182.

Hayek, F.A., 1945. "The use of knowledge in society". *American Economic Review* 35: 519–530.

Hazenberg, R. & Hall, K. 2016. "Public Service Mutuals: Towards a Theoretical Understanding of the Spin-Out Process", *Policy & Politics*, 44(3), 441-464.

Hazenberg, R., Bajwa-Patel, M., Mazzei, M., Roy, M. and Baglioni, S. 2016. "The role of institutional and stakeholder networks in shaping social enterprise ecosystems in Europe", *Social Enterprise Journal*, 12(3), 302-321

Lévi-Strauss, C. 1967. *The Savage Mind*, University of Chicago, Press, Chicago, IL.

Lockwood, S. 2013. "Community assets helping to deliver health and well-being and tackle health inequalities", *Journal of Integrated Care*, 21 (1): 26-33.

Lyon, F. and Fernandez, H. 2012. *Scaling up social enterprise: Strategies taken from early years providers*, TSRC Working Paper 79, Birmingham: Third Sector Research Centre

MacGillivray, A., Conaty, P. and Wadhams, C. 2001. *Low flying heroes: Micro social enterprise below the radar screen*, London: New Economics Foundation

McCabe, A. and Phillimore, J. 2012. All Change? *Surviving 'below the radar': community groups and activities in a Big Society*, TSRC Working Paper 87, Birmingham: Third Sector Research Centre

Needham, C., Allen, K. and Hall, K. (2016) Micro-enterprise and personalisation: What size is good care? Bristol: Policy Press.

Needham, C., 2008. "Realising the potential of co-production: negotiating improvements in public services". *Social Policy Soc*. 7, 221–231

Pestoff, V. 2014. Hybridity, Coproduction, and Third Sector Social Services in Europe, American Behavioral Scientist, 8(11), 1412–1424

Phillimore, J., Bradby, H., Padilla, B. and Doos, L. 2019. "Health providers as bricoleurs: an examination of the adaption of health ecosystems to superdiversity in Europe", Journal of European Social Policy, DOI: 10.1177/0958928718795994

Phillimore, J., Humphris, R., Klass, F. and Knecht, M. 2016. *Bricolage: potential as a conceptual tool for understanding access to welfare in superdiverse neighbourhoods*, IRiS Working Paper Series, No. 14 Birmingham: Institute for Research into Superdiversity

Putting People First 2007. *Putting people first: A shared vision and commitment to the transformation of adult social care*, London: HM Government.

Ram, M. and Trehan, K. 2010. "Critical action learning, policy learning and small firms: An inquiry", *Management Learning*, 41(4): 415-428

Roy, M., Baker, R. and Kerr, S. 2017. "Conceptualising the public health role of actors operating outside of formal health systems: The case of social enterprise", *Social Science & Medicine*, 172, 144-152.

Roy, M., Lysaght, and Krupa, T. (2017) Action on the social determinants of health through social enterprise, CMAJ March 20;189:E440-1.

Simmons, R. 2008. "Harnessing social enterprise for local public services". *Public Policy Administration*, 23, 278–301

Smith, B.R., and Stevens, C.E. 2010. "Different types of social entrepreneurship: the role of geography and embeddedness on the measurement and scaling of social value", *Entrepreneurship and Regional Development*, 22(6): 575–598

Soteri-Proctor, A., Phillimore. J. and McCabe, A. 2013. "Grassroots civil society at crossroads: staying on the path to independence or turning onto the UK Government's route to localism?" *Development in Practice,* 23(8): 1022-1033.

Stinchfield, B.T., Nelson, R.E., and Wood, M.S. 2013. "Learning from Lévi-Strauss' legacy: art, craft, engineering, bricolage, and brokerage in entrepreneurship", *Entrepreneurship Theory and Practice*, 37(4): 889–921.

Teasdale, S. 2012. "What's in a name? Making sense of social enterprise discourses", *Public Policy and Administration,* 27(2): 99-119.

Tronto, J. C. 1993. *Moral boundaries: A political argument for an ethic of care*. London: Psychology Press

Vickers, I., Lyon, F., Sepulveda, L. and McMullin, C. 2017. "Public service innovation and multiple institutional logics: The case of hybrid social enterprise providers of health and wellbeing", *Research Policy*, 46(10), 1755-1768

Weick, Karl E. 1993. "The collapse of sensemaking in organizations: The Mann Gulch disaster." *Administrative Science Quarterly*, 38: 628-652.

Wright M, and Stigliani I. 2013. "Entrepreneurship and growth", *International Small Business Journal*, 31: 3-22

Zahra, S., Gedajlovic, E., Neubaum , D. and Shulman, J. 2009. "A typology of social entrepreneurs: Motives, search processes and ethical Challenges", *Journal of Business Venturing*, 24: 519–532

Acknowledgements