VUKANI-UBUNTU: THE SUCCESS STORY OF A SOCIAL ENTREPRENEURIAL ORGANISATION

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Underprivileged kids learn about crafting and jewellery

Jewellery design lecturer Nelson Gaopangwe gets some pointers from Pretoria's award-winning designer Fred Tuck on how to finish off a unique brooch.
A case study

- social entrepreneurial enterprise
- serve as a success story
  - entrepreneurial empowerment
  - economically independent
Subject: social entrepreneurship

• An emerging discipline in management sciences
• Training courses at Harvard Business School, Stanford and Duke Universities, Columbia and Yale universities, and various universities in Europe
• An inescapable value evaluation of businesses (Porter)
Different issues in South Africa and the rest of Africa cry for intervention in the form of social entrepreneurial programmes

- extreme poverty
- unemployment
- Aids epidemic
- 2010
  - sub-Saharan Africa ± 18 million Aids orphans
  - South Africa ± 2 million Aids orphans in child-headed households
- currently ±120 000 children in South Africa live in 67 000 homes, where children ages 8 - 18 are at the head of the household
Emeritus Archbishop Desmond Tutu expresses his concern about the dehumanising level of poverty in South Africa.

He pleads that there is a need to restore the self-worth of ‘those with no voice’.
• Governments in Africa should commit to social engagement and re-construct families to sustain the thousands of AIDS orphans who are taken care of by older adolescents

• Proposes social conscription where the government, the corporate sector and civil society combine to give employment to youngsters between 12 - 20 who cannot afford school and food
Vukani-Ubuntu

South African, Pretoria based, social entrepreneurial business
Definition

The social entrepreneur manages to advance “economically sustainable solutions to social problems”

Tracey and Phillips (2007:264)
Social Entrepreneurship ≠ Handouts

- Accountable management
  - Based on sound business strategies

- Double bottom line management
  - The conflict of interest between social and business objectives should be well balanced
  - Financial impact weighed against social purpose

- Identity management
  - Balance between for-profit and non-profit parties to advance social entrepreneurial activities
Social Entrepreneurship

• It is a myth that social entrepreneurial organisations are non-innovative and non-entrepreneurial, involving large risks and delivering marginal results (Pulse, 2008:11)

BECAUSE

• Social organisations can only truly be regarded as social entrepreneurial, when it accommodates successful business elements
AIM

- to investigate and identify the characteristics of a successful social entrepreneurial organisation in South Africa: **Vukani-Ubuntu**
- to encourage the perpetuation of similar social entrepreneurial organisations
RESEARCH METHOD

The case study
– qualitative design
– depth face-to-face semi-structured interview (Mr Demos Takoulas, founder & CEO of Vukani-Ubuntu)
– open-ended questions
– based on social entrepreneurial characteristics of founders of businesses identified by Venter (2008:85)
– transcript was coded to categorise concepts which explain the innovative processes of Vukani-Ubuntu
RESEARCH QUESTIONS

Question 1: Vukani-Ubuntu culture?
Question 2: Mechanisms that ensure performance?
Question 3: The entrepreneurial and managerial competencies of the founder leading to performance?
Question 4: What makes your business an Ubuntu business?
The results of the interview are coded
– related to each of the research questions
– five important entrepreneurial themes of social enterprise (Shaw & Carter, 2007:426)
  • opportunity recognition
  • networking
  • financial risk taking
  • social enterprise
  • creativity and innovation
Question 1: How would you describe Vukani-Ubuntu’s culture?

The rich Ubuntu-Vukani culture:
– developing the legacy of the mother of the founder
– passionate about social upliftment
– altruistic non-profit driven
– free training to underprivileged individuals
– dedicated to creating and developing opportunities of hope, trust and faith
Question 2: Mechanisms to ensure continuous performance?

- Commercial and government funding
- Courses are extended
- HDI lecturers are developed
- Teach students entrepreneurial skills to become self-sustainable and marketable
- International marketing
- Function at an international accredited standard of jewellery manufacturing
  - formal national and international examination
Question 3: entrepreneurial and managerial competencies that contribute to the organisation’s performance?

- by establishing Vukani-Ubuntu as an enterprise
- developing the entrepreneurial skills of the students
- strengthened through commercial partnerships
- take part in international exhibitions
- continuously expanding, currently 9 training sites
- continuously growing and developing into a generic model
- students are supported in basic needs, uplifting their poverty and training them to become self-sustainable
Question 4: What makes your business an Ubuntu business?

• by being community orientated
• empowering individuals to wake up and take responsibility for their own personal growth
• empower individuals - dignity
5 Entrepreneurial Themes
(Shaw & Carter, 2007:426)

- Financial risk taking
- Networking
- Opportunity recognition
- Social enterprise
- Creativity and innovation

Frequency
Findings support:

• Success of 9 established Vukani-Ubuntu projects
• Leading to the qualification of over 200 HDIs
• Sponsored by 28 prominent national and international organisations
Discussion

- trainees are empowered not to fall into the ‘dependency syndrome’
- the Vukani-Ubuntu principles can certainly be applied in other social enterprises
- for-profit businesses with a lack of expertise in social entrepreneurial activities, could form a partnership with well established and successful non-profit social organisations
• The development of organisations similar to Vukani-Ubuntu could inject the much needed development of successful independent entrepreneurs

• Serve as support to the needs of the increasing number of Aids orphans and the poverty that accompanies it
Limitations of the study

- The results of this single case study limit the generalisability of the findings. Future research should investigate larger samples of national & international social entrepreneurial organisations.
- The current study is a qualitative investigation, with the limitation of subjectivity.
- Future studies should aim at more objective forms of measurement.
Future Research

- Investigate social entrepreneurial activities in rural areas
- Possible collaboration between the business sector and government (as suggested by Dr Van Zyl Slabbert)
- Business creation opportunities
- Opportunities that can lead to self-employment
- Counteraction of the dangers of an informal modern underground economy
- A larger sample of social responsibility projects could lead to a clearer indication of success factors
- Quantitative methods of investigation
CONCLUSION

The Vukan-Ubuntu - proved its success over a period of 9 years

• The success:
  – rich culture and Ubuntu character
  – continuous performance - entrepreneurial and managerial

• The duplication of the Vukani-Ubuntu project could
  – rescue many individuals → destruction & powerlessness of poverty
  – provide self-empowerment and basic business awareness
  – prevent them from falling into situations of hopelessness

• This is an opportunity to turn the snowballing of the destructiveness of poverty into an opportunity of growth
Institutions funding Vukani-Ubuntu

- The Ackerman
- Pick n Pay
- NEDCOR
- W.K. Kellogg Foundation
- African Pioneer Mining
- Local Economic Development Fund (SA National Govt.)
- Northern Cape Urban FET College: Kimberley Campus
- Mpumalanga Dept. of Finance & Economic Affairs (SA Provincial Govt.)
- Anglo Platinum
- Tshwane FET College: Atteridgeville Campus
- Nelson Mandela Children’s Fund
- SSACI
- Gauteng Tourism Authority
- Cooperazione Italiana
- UNOPS SEHD
- SAB
- Umjindi Municipality (Barberton, Mpumalanga)
- De Beers
- A Diamond is Forever
- Academy International
- Computer & Commercial Training Institute