

THE THIRD SECTOR – THE NEW PATH TOWARDS THE ENTREPRENEURSHIP OF THE FUTURE? – POLISH INSIGHTS

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Abstract: The national economy can be conceptualized as having three sectors: the public sector, a private economy, and a third sector "with organisations established by people on a voluntary basis to pursue social or community goals" (Ridley-Duff and Seanor 2008). The third sector includes organizations that directly affect the structure, market behavior or activity. This paper sets out reasons why do entrepreneurial person choose the economics of the third sector as their way towards entrepreneurship, address some of the potential scope and limits of particular forms of economic thinking about the third sector and extends economic research on the third sector, which still is the research gap. It also presents alternative view at third sector economics as the new-way entrepreneurship and addresses implications for further research.

Keywords: economics; Poland; social economics; third sector; third sector entrepreneurship, third sector development.

1 Introduction

According to the literature overview the third sector is by nature unsuited to singular definitions (Osborne 2008). The academic discipline of economics has focused much attention on conceptualising and operationalising core concepts and dimensions of economic activity. In that meaning its analytic methods are focusing on achieving rigour. Moreover, the specific sector requirements tend to stress economic analysis as providing the rationale for, proof of, and the ability to choose between potential policy options (Westall 2009). There has been work on measuring the direct contribution of third sector activities of different kinds to aggregate measures of economic activity such as employment levels, GDP or GVA. The third sector concept is used to distinguish such organizations from the other two sectors of the economy: the public sector (government) and the private sector (businesses) (NAO 2009). Some literature also relates to the impact of economic theory and language on third sector development (Parkinson and Howorth 2008) argue that there is a marked difference between the language of policymakers, proponents of social entrepreneurship and the activities identity and language of people classed in this way. There also the case could be made to refer to the third sector as the "fourth sector" since communitarian groups such as clans and families and informal associations are also often excluded from the idea of a third sector (Priller and Zimmer 2001).

The third sector exists without either of those two mechanisms instead relying on the manipulation of symbolic rewards and deprivations, the power of persuasion and on appeals to shared values and idealism (Lewis 2003, Jasińska-Biliczak 215). The definition, called continental or European definition of the third sector, does not envisage separate sectors. The third sector or third system is thus conceived not as a corrective add on to the blind spots of a market economy, but as a hybrid form of various kinds of organizations such as enterprises, bureaucracies and kinship associations. They act as hybrids, intermeshing different resources and connecting different areas, rather than setting clear demarcation lines around a sector and mapping its size (Evers 1995). The third sector organizations are defined as organisations with an explicit aim to benefit the community, initiated by a group of citizens and in which the material interests of capital investors is subject to limits (Nyssens 2008).

After all is has its own highly prestigious scientific discipline of economics, the third sector remains comparatively under-theorized despite some good efforts to the contrary (Corry 2010). It is developing, focused bigger and bigger percentage of national economies sector, and, because of that, employing more and more workers, especially specialists in fields covering its action fields, sector. In European economies, the importance of a third sector, distinct from the private non-profit and public

sectors, is increasingly being acknowledged, from various point of view (Defourny and Pestoff 2008).

2 Research methodology

Economic analysis, seeking to use economic models and measures to assess the key features of the sector and the contribution it makes to the economy and society. This will include analysis of employment and employment trends in the sector (Alcock 2009). According to The European Commission in its 2009 online Evaluating Socio Economic Development: Sourcebook 2 multicriteria analysis appeared in the 1960s as a decision-making tool. It is used to make a comparative assessment of alternative projects or heterogeneous measures. With this technique, several criteria can be taken into account simultaneously in a complex situation. The method is designed to help decision-makers to integrate the different options, reflecting the opinions of the actors concerned, into a prospective or retrospective framework. Participation of the decision-makers in the process is a central part of the approach. The results are usually directed at providing operational advice or recommendations for future activities (Sourcebook 2 2009).

In present research the qualitative research design was developed in order to achieve an in-depth understanding of the entrepreneurship of the third sector. The research was based at the in-depth interview analysis, being applied to studies of the research gap. That is, the use of in-depth interview analysis in an important factor in which representative groups were selected rather than focusing on the number of samples and whether respondents responded consistently. It is the probe to obtain a broad generalization based on single case studies evidences, while presenting findings and conclusions altogether. Research data was collected from Poland. This national approach allows to point some general rules at national level and also be a part of further, comparing at international level, research.

There was stated the main research hypothesis to reach so pointed results:

Hypothesis: The nonprofit entrepreneurship is chosen as the more and more preferable form of developing of the entrepreneurship.

There were also stated subsidiaries hypotheses for achieving the in-depth analysis:

H1: entrepreneurship use some existing facilities in leading of the economic activity by third sector organizations

H2: third sector enterprises reach higher level of satisfaction, including personal job satisfaction, connected to entrepreneurship development.

There was obtained the access to ten nonprofit enterprises and their employees, both: managers and workers, of whom half were men and women, during the research. Due to confidentiality issues, the participating organizations are anonymous in the paper. The main characteristics of the interlocutors are provided in table 1.

Table 1. Main characteristic of interviewees.

NON-PROFIT ENTERPRISE NO.	POSITION WITH CODING ¹	EDUCATION	EXPERIENCE IN THIRD SECTOR (IN YEARS)	AGE	GENDER ²	LOCATION OF NON-PROFIT ENTERPRISES ³
1	Manager (m)	Higher	2	33	M	2
2	Medical staff (w)	Higher	14	42	F	1
3	Chief accountant (m)	University	8	53	F	3
4	Team manager (m)	Bachelor	4	29	M	4

5	Social worker (w)	NVQ ²	12	41	F	2
6	Team leader (w)	NVQ	9	24	F	4
7	Accountant (w)	Bachelor	4	32	M	3
8		NVQ	14		M	3
9	Manager (m) Team leader (w)	NVQ	9	27 39	F	2
10	Psychologist (w)	University	5	31	M	3

¹m-manager; w-worker.

²M-male; F-female.

³Legend: 1-city more than 100 000 people; 2-city 99 999-50-000 people; 3-city 49 999-5000 people, 4-village.

⁴National Vocational Qualification.

Source: own elaboration.

To sum up: the methodological approach it is possible to point the Manski theory, where agents as decision-makers endowed with preferences, forming expectations, and facing constraints. Preferences are given formal expression through utility functions, expectations through subjective probability distributions and constraints through choice sets (Manski 2000).

3 Results

There were selected both – the areas as well as the main factors of nonprofit enterprises development, which are presented in the table below.

Table 2. Areas and main factors criteria¹ of third sector development.

Area	Item	Answers with coding ² in numbers
Entrepreneurial skills	Market analysis	5m / 5w
	Organizational culture	4m / 5w
	Network utilization	3m / 5w
Social skills	Social problems solving	3m / 5w
	Active listening	5m / 2w
	Conflict management	5m / 1w
Funds	Per negotiation	4m / 5w
	Initial capital	2m / 4w
	Funding capacity	
	Available funds	
	Growth of the fund potential	
	Used technology	
	IT skills	
	R&D infrastructure	

¹The interviewees had the possibility to choose few answers, because of that the percentage do not sum up to 100%.

²m-manager; w-worker.

Source: own elaboration.

The access was obtained to ten respondents, of whom half were men and half were women. Due to confidentiality issues, the participating organizations are anonymous in the paper. Presented results allows to state that entrepreneurial skills are most important for workers (100% in each item from that area) than for managers (market analysis for 100% of them, organizational culture for 80% and network utilization for 60%). In other the case of social skills given answers allow to point at managers as the group for which they are more important. Only such social skill as social problems solving was more important for third sector enterprises workers (100%) than for their managers (60%). Other social skills such as active listening and conflict management were more important for all managers. At the same time only 40% of workers pointed active listening and only 20% of them pointed conflict management as the skills which may be important for third sector enterprises development.

Very interesting is, as the research results, the funding matter. Research has shown that opinions between managers and workers differed. The workers pointed such items as per

negotiation and available funds as the most important – 100% in both cases. For managers they were not so important: per negotiation was pointed by 80% of managers and available funds by 60% of them. Tax facilities was the most important item, from the fund area, for all questioned managers. Into works 60% pointed this item as important from the social enterprise development point.

What is interesting the technical skills were not so important for both – managers and workers. The used technology and technological potential were pointed by 80% of managers and IT skills were pointed by 80% of workers. This is the important part of research because in IT sphere enterprises of the third sector work at the same rules as open market enterprises. They also work in the advertisement, promotion, development. These skills are used for creative projects, which are characteristic also for analysed sector.

Another part of research was focused at the reasons of personal taking part into third sector by the employees, both – managers and workers. Answers given by interviewees are presented in the following table.

Table 3. Reasons of acting in the third sector.

Variable	Position in third sector enterprise ¹ - number of answers
Salaries	3m / 4w
Flexible working hours	4m / 5w
More free time	2m / 5w
Lower stress	3m / 4w
Independence	5m / 4w
Feel needed	3m / 5w
Job satisfaction	4m / 5w

¹m-manager; w-worker.

Source: own elaboration.

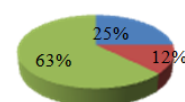
Research shows that salaries are not most important variable nor for managers nor for workers. The most important aspect of the employment in the third sector are flexible working hours, more free time, the feeling being needed and job satisfaction for all workers. Managers, asked about pointing the same value, have chosen flexible working hours and job satisfaction as well. But those answers were chosen by 80% of them. It means that workers can see bigger difference between employment in open market and third sector enterprise. That differ may occur from managers' situation at work market – they are often hired at managers contracts, which give them such possibilities in open market companies. The most important value, for all reviewed managers, was independence. Possibly they can see that value more attractive and developed in third sector employment. Variables such as possessing more free time was not attractive for managers hired in third sector (only 40% choose that answer). This corresponds directly with variables pointed in research and described earlier.

There was also asked one general question about job satisfaction in nearest future perspective at the end of the survey. The answers are presented at the graph below.

Graph 1. The subjective possibility of return to previous work place.

Would you like to back to previous work (in open market enterprise) in the nearest future?

■ 1. Managers - yes ■ 2. Workers - yes ■ 3. No



Source: own elaboration.

Answers given in this part of research allow to state, that work in the third sector enterprises is really attractive in comparison with the work in open market enterprises.

4 Discussion

When analysing the data collected in research it is possible to point that there is still growing interest to carry out the research on the third sector's potential. There were led studies at the improvement of management skills (Kowal, Makio and Jasińska-Biliczak 2017), in order to facilitate the combination of social purposes and economic efficiency of the third sector (Perista and Nogueira 2006), which showed that issues such as innovation, quality, equal opportunities, social marketing, funding sources, management systems and indicators, evaluation still need to be developed in that kind of entrepreneurship. There is no sharp, well-defined dividing line between this so-called third sector and the other two sectors, but its characteristics still set it apart (McKeever 2018). The European third sector is an enormous economic force, outdistancing most major industries in the scale of its workforce. Third sector organizations have long been associated with the provision of human services that contribute to well-being and the quality of life. the lack of data about the third sector's output and even more so about potential impact indicators hinders the empirical validation of these theoretical insights (CORDIS 2017).

Because the third sector service providers are akin to what the relevant academic literature has dubbed social enterprises (UNDP 2008), thereby it is identified that third sector organisations generally provide a necessary complement to both public and private for-profit provision of basic welfare services (Salamon and Sokolowski 2018). There is no doubts that the third sector organisations deliver a range of public services for government. This confirms the increasing relevance of the topics related to the development of this sector and the existence of a growing demand for new managerial and organizational tools (Jasińska-Biliczak and Sitkowska 2014) to improve the performance of third sector organizations (Evers and Laville 2004). In that meaning the present research fills the gap in analysed issue of the third sector development in.

5 Conclusion

There is much more possibilities of creating own business, the business may be provided in various ways being, from the competitiveness point of view, safer than common enterprises – many facilities for third sector. The third sector entrepreneurs also observed the higher level of satisfaction from their work which is strictly connected to their real influence at providing local services addressed to some special consumers. Similar situation is pointed by third sector employees. The main variable pointed by both research parties was so called flexible working hours connected, with specific for analyzed sector, work in projects. This kind of work guarantees employment and income during the time the project lasts. But also, at the same time, both parties declare enabling of creativity and flexibility as well as increasing the job satisfaction as the consequences of that form of employment. Mentioned variables should be the directions for governments, especially self-governments, for creating the directions of the third sector policy. Research allows to declare social changes which bring the vision of the work concept. The work should bring not only the income or salaries but also satisfaction and self-realization too.

There is possible to point the main reasons of being attractive to lead the business activity in the third sector form in the analyzed economy. They differ from the motives of leading the business activity in the open market economy. At the same time they are going to create the groups of specialists, who incorporate for reach also other, often social aims, with simultaneously reaching satisfying work place. As the research showed opinions of managers and workers, employed in the third sector, differ. This may cause dissonance between understanding of the mission and actions of analyzed sector. Problems with cooperation for project realization as well as direction at projects realization may be

their negative results. Because of that leaders responsible for third sector development, acting inside and outside this sector, should take the action for developing cooperation and better mutual understanding between the third sector employees. On the other hand agreeing in pointing the job satisfaction reaching by both – third sector managers and workers – can generate new trend in the future. The third sector enterprises may be the answer for nowadays employees needs and to point the direction of open market enterprises evolving.

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