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## **Exploring Social Entrepreneurship Challenges and Internal Capacity Profiles within Family Businesses: A Case Study in the Drâa-Tafilalet Region**

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**Abstract:** It is important for family businesses to be committed to the social development of their environment; therefore, the objective of the research was to analyze the challenge of social entrepreneurship and the profile of internal capacity in family businesses in the region of Drâa-Tafilalet. The study was based on a survey conducted in 2023 on entrepreneurs and MSMEs in Morocco, the instrument was a questionnaire of 30 closed questions, dichotomous scale, with a quantitative approach and was applied to 60 family MSMEs. It was concluded that there is a moderate positive significant relationship between both study variables.

**Keywords:** Barriers to growth, community, education, motivation, support services

## Introduction

Our study from the practical perspective will provide scopes that will help to respond to the challenges in the social entrepreneurship of the family business. Methodologically this research is supported by the various scientific processes of the study, it shows a statistic that contributes to make decisions and analysis of the results obtained, in this way family MSMEs can respond to the challenges in social entrepreneurship. Scientifically, this work contributes to social entrepreneurship in family MSMEs, our study is related to scientific progress.

We pose the problem they have before the challenge of social entrepreneurship and the profile of internal capacity in family businesses located in the region of Drâa-Tafilalet, who are mostly provincial, who completed their basic studies in schools lacking technical training with the absence of technological tools, therefore, do not have basic criteria for social entrepreneurship for the challenge of the stability of the family business in the face of the competitiveness of macro enterprises. In terms of entrepreneurship, this study showed that there is a lack of academic preparation, motivation, commitment to the community, and that there are barriers to growth such as the absence of support for family businesses. As for the profile of the internal capacity of the family business, there is a lack of managerial capacity, human talent capacity, competitive capacity, financial administrative capacity and technological capacity. It should be noted that the family business is one in which the ownership and/or management of the company are in the hands of a family that have a vocation for continuity, since they want the company to continue in the future in the hands of their descendants (Alegre, Kislenko, & Berbegal-Mirabent, 2017), on the other hand Hall and Nordqvist (Hiebl & Mayrleitner, 2019) the culture of a family business is usually the result of the founder's values and norms that have taken root in the family and its history, which makes these values and norms manifest themselves in the form of stable thoughts through the family members; that is, the culture within the work environment of a family business is based on the ethics, norms and values present in a family.

For this reason, the question is formulated: What is the relationship between social entrepreneurship and the profile of the internal capacity of the family business located in the region of Drâa-Tafilalet?

**Table 1**

*The relation between the social entrepreneurship and family business*

N°	Verb plus the relationship that exists between	Variable/dimension / social entrepreneurship	Variable /dimension / family business
1	Determine	The challenge	And profile of the intena
2	Analyze	Education	And managerial capacity
3	Compare	the motivation	And the capacity of human talent
4	Establish	the community	And the competitive capacity
5	Compare	the growth barriers	and financial management capacity
6	Analyze	The support service	And the technological capacity

## Literature review :

### **Social Entrepreneurship :**

According to Bourjim, R., and M'hamedi, M. (2022) are individual personality traits. For Bourjim, R., M'hamedi, M., (2022) it is the process of providing individuals with the concepts and skills to recognize opportunities that others may have overlooked and possessing the insight and self-esteem to act where others may have hesitated. According to (Décaro et al., 2020) entrepreneurship can be considered as a process that starts when a person from a business idea generates income and useful jobs for the community. Cherkaoui, A. and El Aabar, A., (2022) the entrepreneurial attitude has a high impact on the gestation of the company, and is part of a characteristic of the founder or first generation, this attitude is one of the bases of strategic flexibility, and also becomes innovative capacity when the company faces processes of change to survive the demands of the market, in the understanding that innovating is not precisely technology, but also new ways of managing, selling, manufacturing and providing a product or service. Within the second and third generation of the company it is important because it brings new ideas, the external influence of academic, business and cultural training with a tendency to change.

### **Internal Capability Profile (ICP) :**

According to Hernández (2016), internal auditing is currently a new field of action for public accounting professionals, as a result of the business difficulties that have arisen in recent times. In order for the internal analysis of the company to be credible, it is necessary to practice the ICP, as a means to evaluate the strengths and weaknesses of the company in relation to its opportunities and threats that arise in the external environment. The ICP examines five detailed categories as follows: 1) Human Talent Capacity, 2) Managerial Capacity 3) Financial Capacity, 4) Technological (Production) Capacity, and 5) Competitive or Marketing Capacity. In other words, the PCI is in charge of evaluating, of establishing what the company is and where it is (Caizaluisa, 2018).

According to (Bosma, & al., P.,2016) the most important capital that a country has is its people as it allows observing a mosaic of different possibilities and points of view; the family business is an important part of the economic life of many countries, and it is these, make history through their products and services, which in some cases are obligatory traditions to know, buy and experience in various populations of Mexico and the world.

### **Family-owned companies:**

According to (Deng, et al., 2022) the Spanish family business is well positioned to grow and gain share in the foreign market, the current conditions are very favorable to take advantage of competitiveness. in (Cevallos, et al, 2021) family business succession is a complex process, which consists of the transfer of management decision-making power and ownership of the company from one generation to another; in addition, it can sometimes involve the transfer of leadership in the family. For in (Sánchez, et al., 2020), innovation in family businesses depends on whether it is managed, enriched or diminished, and the evolution is related to the leadership style adopted by each family over time. Ogbonna and Harris (2000) agreed with the idea of leadership, which strengthens the innovative culture and social entrepreneurship of family businesses.

According Lucero (2017), the Family Protocol is a document signed by the members of a business family, where the principles that favor the continuity of the company are established and the relationship mechanisms between the family, the property and the company are determined, that is to say, it is a means that helps to favor company-family relations; However, this does not guarantee an indefinite solution to such conflicts, since as the family grows, the protocol may become out of place. According (Cevallos et al., 2021) it regulates the economic and professional relations between the family, the

property and the company, in order to guarantee the continuity and viability of the company in the hands of the family throughout successive generations.

According to (Zenck-Huerta, & Montenegro-Alvarez, 2018) it is a legal framework agreement, its elaboration is not obligatory, it is mandatory for its signatories, it is subject to total or partial registration in the Public Registry to give it publicity before third parties. Therefore, despite being a framework agreement that arises from the will to carry it out by the family members, it is a document of legal structure and language whose expectations of effectiveness are placed, precisely, in its legal; that is, in the presumption that if someone does not comply, the courts may be called upon to demand its compliance.

**Strengths and Weaknesses of a family business:**

In terms of strengths, Climate in the company, generates a sense of belonging and a common purpose to the entire workforce, concrete and positive qualities for competitive advantage: commitment, knowledge and communication, flexibility in working in time and money; long-term vision, stable culture, speed in decision-making, overlap between owner and manager, reliability and pride (Cevallos & al, 2021). In contrast, weaknesses are serious and endemic disadvantages, and are particularly vulnerable to these shortcomings. Yann Chabin, Joël Rochard (2023) These disadvantages, also understood as weaknesses of family businesses, can be listed as rigidity, succession, emotional conflicts, confusion of business and family assets, financing problems, leadership and legitimacy.

Therefore, family businesses are socially and economically relevant in all parts of the world, and have great strengths that make them more successful than non-family businesses when they are well organized. If this is not the case, weaknesses will be found, mainly due to their informality, the lack of professionalization, the lack of succession planning, the lack of suitable communication channels and the confusion of boundaries, funds and roles between the family and the company. This generates the need to resort to processes and instruments that make it possible to provide adequate sustainability to favor their continuation (Antista, 2016, cited in Suárez et al., 2019).

**Methodology:**

The approach used was quantitative, non-experimental design, basic, descriptive, cross- sectional and worked with a sample of 60 family businesses in order to determine the relationship between social entrepreneurship and the profile of the internal capacity of the family business in the region of Drâa-Tafilalet.

A Likert scale questionnaire was applied, taken from previous research by the Business and Administration Studies Network (RELAYN), validated by expert judgment and whose reliability result through the pilot test and processing through Cronbach's Alpha coefficient was 0.765 for the social entrepreneurship variable and 0.871 for the Profile of the capacity. we posed the general and specific hypotheses:

**Table 2**

*general and specific hypotheses:*

N°	There is a significant relationship between variable / dimension / Social entrepreneurship	Variable/ dimension /Family business
1	The challenge	And internal capacity profile
2	Education	And managerial capacity

3	Motivation	And the capacity of human talent
4	The community	And the competitive capacity
5	Growth barriers	And financial and administrative capacity
6	The support service	And the technological capacity

### Results :

The following results were obtained in this study, corresponding to the fulfillment of the objective and general hypothesis.

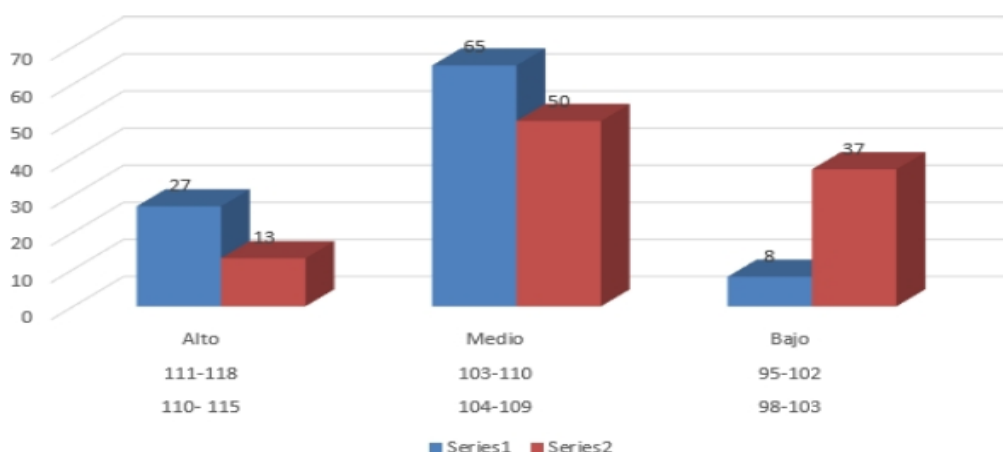
**Table 3**

*Levels of challenge in social entrepreneurship and family business capability profile.*

Ranges	Levels	Social entrepreneurship		Capability Profile	
		fi	hi	fi	hi
110- 115 111-118	<b>High</b>	16	27	8	13
104-109 103-110	<b>Medium</b>	39	65	30	50
98-103 95-102	<b>Under</b>	5	8	22	37
	<b>Total</b>	60	100	60	100

**Figure 1**

*Levels of social entrepreneurship challenge and internal capacity profile of the family business.*



Source: authors own development

According to Table 3.3 and Figure 3.1, it can be seen that 65% of the family businesses are at the medium level in terms of social entrepreneurship and 50% in terms of capacity profile. 27% are at the high level in terms of social entrepreneurship and 13% in terms of capacity profile of family businesses. 27% have

a high level with respect to social entrepreneurship and 13% with respect to the capacity profile of family businesses. On the other hand, 8% reached a low level with respect to the challenge of social entrepreneurship and 37% with respect to the capacity profile.

**Table 4:**

*Correlation of the social entrepreneurship challenge and the internal capacity profile of the family business.*

<b>Rho Spearman correlation</b>		
V1: Social entrepreneurship	V2: Internal capacity profile	0,512
D1: Education	D1.C. directive	0,464
D2: Motivation	D2.C.Human Resources	0,453
D3: Community	D3.C.Competitive	0,432
D4:Growth Barriers	D4.C.administrative	0,346
D5: Support service	D5.C. Technology	0,301

Table 4 shows a moderate positive correlation of 0.512 in relation to social entrepreneurship and the profile of the internal capacity of the family business. On the other hand, a low correlation of 0.301 was obtained for social entrepreneurship and technological capacity. In other words, there is a moderate to low correlation between social entrepreneurship and the internal capacity profile of the family business.

**Discussion:**

The family businesses surveyed showed a moderate to low correlation between the challenge of social entrepreneurship and the internal capacity profile  $r_s = 0.512$  d, on the other hand, at the medium level there was 65% of social entrepreneurship compared to the capacity profile in the family businesses (60%), demonstrating that the greater the social entrepreneurship, the lower the internal capacity of the family businesses. The correlations ratify the hypotheses put forward, because the results showed that there is a moderate positive correlation between the challenge of entrepreneurship and the internal capacity profile. This contrasts with what was indicated by the president of Safoulki family businesses, indicated that the challenge of the future of these companies is not a matter of survival, but of growing in a sustained manner, with a tendency to increase confidence and optimism in the future of the main business indicators, in the face of challenges of a legal and political nature, profitability and competition, which requires complex decisions to be made.

**Conclusions**

This study concluded that there is a moderate positive significant relationship between social entrepreneurship challenge and internal capacity profile, as well as in its dimensions of social entrepreneurship, in relation to internal capacity profile of family businesses.

The social entrepreneurship challenge in the region of Drâa-Tafilalet. Therefore, it follows that it is necessary to target the social entrepreneurship challenge in education, motivation, community, growth barriers, and support service, such as improving the profile of the interna capacity as managerial capacity, human talent, competitive, administrative and technological, of family businesses in the district

of this region, because the relationship is low to moderate, otherwise the family MSMEs are not strengthened and will not be able to position themselves in the market.

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