

WHAT ARE THE OBJECTS OF SOCIAL BUSINESS MODELS AND WHO BENEFITS IN LITHUANIA?

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Abstract

This empirical study analyses current conceptions regarding the social business model in Lithuania. Social businesses seek to maximize social welfare by applying business practices that recover costs and pass profits to customers, who benefit from low prices, adequate services and better access to social amenities. A hybrid social business model is one in which the main goal is to maximize economic value and explore international markets by the use of partnerships and social profit. Modern businesses engage to create socio-economic value for society by solving social problems; therefore, the objects of social business models are analysed. Our results advance the understanding of adoption of best practices related to social business models in Lithuania and determine the recipients of the benefits accrued.

Keywords: *social business model object, social corporate responsibility, social benefit*

1. INTRODUCTION

Relevance of research. Even though scholars have studied social business models for more than a decade, the studies are not particularly well known. Many authors assert that social business models represent relevant innovations in the effectiveness of societies and business and that creating economic and social value is a strategic competitive advantage. A social business model is which, by exploiting the market mechanism, the pursuit of profit is associated

with social goals, priorities – based on corporate social responsibility and public – and private partnership with the provisions applicable to social innovation (Lin & Amin, 2016; Sharoni, Zenon & Mbabazize, 2016; Kisielius, 2016; Filatov & Makolskaya, 2015; Rubikas, 2014; Šalkauskas & Dzemyda, 2013). This study identifies social businesses according to the definition given by D. Hunt, the UK's ambassador to Lithuania, and confirms that social businesses influence economic growth, job

creation and social infrastructure and catalyse education, healthcare and other social services (Social Enterprise Summit Report, 2015). To refine the concept of the social business model, this study reviews its defining features.

Research problem. This study determines the population served by social business models and identifies the beneficiaries of accrued social profits in Lithuania.

Problem investigation level. To present the problem lucidly, the study reviewed new academic publications from the Web of Science database. According to Petrini, Scherer and Back (2016) and Velamuri, Anant and Kumar (2015), sustainable development are businesses are the ones that generate a social impact. In other words, they satisfy social demand through their profitable operation. Their business model differs from conventional models in that it combines several models and details their constituent elements. Dentchev et al. (2016), Dohrmann, Raith and Siebold (2015), Goyal, Sergi and Jaiswal (2015), Li (2014), Sinkovics, Sinkovics and Mo (2014), Wilson and Post (2013) analyze numerous sustainable business models targeting the Base-of-the-Pyramid (BoP) and related aspects, including social and corporate entrepreneurship, creativity and innovation. The aforementioned researchers document challenges that include market imperfections, ethical dilemmas, scarce resources, identifying real needs and quantifying socio-economic impact. Ye, Zhong, Zhang, and Song (2015) broaden the discussion by introducing a Business to Social Network Service to Customers model reduces costs, increase the market share for niche products, and improves business efficiency. Their findings bear practical implications for the product positioning and business model innovation. A literature review shows that

social business models are relevant and require more investigation into management and daily operation of the business and creation of new financing methods in order to create economic and social value.

Research subject – Social business models.

Methods of research. This study reviews relevant literature, then generates independent empirical data through an original questionnaire and analyses the results of this primary research.

Limitations of research. This study presents only selected empirical results that are related only to respondents' perceptions of social business models and their benefits in Lithuania.

2. CONCEPT OF SOCIAL BUSINESS MODEL

The concept of social business model is that of an innovation and improvement upon conventional business models in the creation of economic value and social impact (Haque, Rahman & Joy, 2016; Taru & Mervi, 2015; etc.). This phenomenon is significant in developing small and medium businesses in Lithuania by promoting partnerships with non-governmental and non-profit organizations. Although social business models are regarded as progressive and promising, many unanswered questions require analysis.

Johansson and Kjeldsen identify the criteria for social businesses (Social Enterprise Summit, 2015): a defined social objective, a business that involves the public, profit is directed toward social goals, business activity and activities are independent of the public sector.

Olsson (2015) complements those criteria by adding the following three features (Social Enterprise Summit, 2015):

1. Social businesses serve a social purpose. They produce goods or services have a long-term operational perspective. They are driven by the desire to meet needs at the market and public services cannot meet.
2. Social businesses exhibit a distinctive model structure that includes stakeholders, employees and communities in business management.
3. Profits are plowed back into the business or into similar organization.

Survila distinguishes four criteria for social businesses in Lithuania (Social Enterprise Summit, 2015):

1. They develop through cooperation with traditional business, traditional business, corporations and public agencies.
2. They involve volunteer through the Youth Guarantee and European Voluntary Service opportunities.
3. They exploit information technology and share economic benefits that often help to save finances.
4. They create community co-operatives and use state property in accordance with law.

The Social Enterprise Summit (2015) specified additional criteria, such as supporting the researchers (Alimam, Bertin & Crespi, 2015; Buregio, Maarmar & Meira, 2015; Komarov, Kazantsev & Grevtsov, 2014; Yang, Warner & Millen, 2013; etc.). Volunteering is among the most important criteria. It lead to the creation of hybrid social enterprises. It is essential to identify how social enterprises act in setting high-profile objectives, training and empowering marginal citizens, creating sustainable enterprises in developing economies strengthen communities, reinvigorating welfare services and labour strategies, and developing social

enterprises and business models (Andersen, 2015).

Sustainable business models are oriented toward social and environmental issues, not profit (Dentchev et al., 2016). They employ information technology (IT) to improve performance and productivity (Alimam, Bertin & Crespi, 2015), including information systems delivered through the intranet, enterprise resource planning, and electronic data interchange. Decision support systems (DSS) are a class of computerized information systems that support social businesses and organizational decision-making (Chaturvedi, Parashar, Manjrekar, & Bhaskar, 2014; Beielstein, Konstantinos, & Michael, 2002). A well-designed DSS uses interactive software to distill information from raw data, documents, personal knowledge, and business models to identify and solve problems. According to Parker, Halgin & Borgatti (2016), many IT systems are available for developing social businesses in decision-making process in which individuals respond to feedback about their performance in the organization by making adjustments in their patterns of social capital formation and utilization. This would enable measure self-efficacy in the arena of networking behaviours, such as creating ties and negotiating requests for the help and information. Hwang & Grant (2014) highlighted that socio-organizational integration plays a significant role in global ERP because it is considered that companies with a local presence are less interested in global ERP so the local ERP reflects this intention.

A review of the Social Enterprise Summit (2015) reveals the specific criteria that affect the probability of social businesses and nongovernmental organizations

receiving public funding. Overall, social businesses must demonstrate to their regulating institutions that their work has social value. Reporting transparency enhances public confidence in private initiatives and advances partnerships with traditional business. Companies devoted to maximizing profits and creating economic value can guide social businesses to operate and expand, and earn sustainable revenues without public funding.

Lithuania lacks organizations that represent communities and social businesses in their relations with authorities. Organizations that represent social business – primarily promote the creation of business models, regulate their activities and advise and provide facilitate services. Saslavsky and Shepherd (2012) describe facilitation as third-party intervention in business processes, advising on negotiations and partnership and assuring the efficient use of financial resources. Thus, organizations that represent the social interests of businesses facilitate the development of social business models in Lithuania.

The business model canvas is a tool for defining end developing social business models (Taru & Mervi, 2015), and for creating shared understanding (Osterwalder & Pigneur, 2010). Our study has its origins in the realization that the traditional business model canvas suits product-based businesses best and needs to be revised in order to serve the objectives of social businesses. Thus, this study contributes to the literature of business models and provides managerial tools for developing service business.

The generation of social impact is the goal of businesses, their primary performance measure and their purpose that guides long-term strategies and daily activities. Alter,

Oppenheimer, Epley and Eyre (2007) identify two degrees of social business: fully integrated and partially integrated. Fully integrated social businesses (the net model) are instruments for solving social problems and are sometimes synonymous with philanthropy and non-profit organizations. They resemble traditional businesses; however, their profits are devoted entirely to problems that they were constituted for solving. Partially integrated (hybrid) social businesses regard their social purpose as their primary goal, but they also have to deliver profits to shareholders. This model is in its embryonic stage, and no favourable external environment, legal framework; other necessity required for the acceleration of its development exists as of now.

Yunus (2007) insists that a hybrid social business model survives only if it allocates at least 51% of its profits to creating social value and 49 % to shareholders. He also argues that it is impossible to avoid situations in which the social objectives require to sacrifice financial needs and vice versa. In other words, only the companies appointing more than half of their profits for social purposes will be able to realize their social mission. For the hybrid model to spread globally it must become more popular than the net model. Its financial stability can be assured only by people joining hands in citizenship and sociability.

Although non-profit organizations are traditional examples of net social business model current trends emphasize for profit companies adopting the hybrid models (Austin, Herman, Reficco & WeiSkillern, 2005). Leading-edge companies are re-evaluating their business models to create opportunities in developing economies and to address global problems while

generating profits. Mahlouji and Anaraki (2009) call this phenomenon the transition from corporate social responsibility to corporate social entrepreneurship. Kanter (1999) describes it as identifying unmet social needs and developing solutions in low-income markets notably China, Brazil, India and Bangladesh.

Michelini (2012); Hammond (2004) and Prahalad & Liebherthal (2003) demonstrate that earlier attempts by corporates to make this transition failed because firms could not attract customers' low-income markets. Deloitte (2016) argues that long-term success depends on supplying of innovative, rather than existing products, reducing prices and finding new sales channels. Michelini (2012) highlighted that more than 80% of products have been sold in emerging markets, a percentage that mirrors the percentage of markets which satisfying the needs of households.

Sanchez & Ricart (2010) propose two models for operating in low-income markets: isolated and interactive (open). The incentive for isolated business models is to increase global market share by adapting products and optimizing processes. The company tailors its current business model to the new market by using its own resources and capabilities. Exploration is the strategy underlying interactive business models. Companies pursue learning and innovation, creating value using external resources, and interacting with stakeholders.

Social innovation drives the success of social businesses, as Westley, Antadze, Riddell, Robinson, & Geobey (2014) note in their Canadian study. Therefore, the main configurations are analysed in Table 1. There are three types of configurations for scaling social innovation and their salient issues. The main trigger is internal communication, which dominates and drives the Volcano configuration. In addition, it cultivates internal relationships and lifelong learning. Večkys (2011) characterizes internal communication as the ongoing transmission of information between partners to promote change by managing processes.

The volcano configuration is centralized through learning processes in "Engineers without borders" (EWB), which was initiated by University of Waterloo engineering graduates Roter and Mitchell in 2000. To address their goal of reducing Third World poverty, they began to gather volunteers. By 2010, it had assembled 25 full-time members, 2,500 volunteers in Canada, and 300 volunteers abroad. The organization motivates volunteers not merely by offering the chance to do good work but by sharing experiences, knowledge, and participation in decision-making. EWB penetrated new markets, created social value, and added value to the company through knowledge-sharing, mentoring, and experimental activities. Work on the EWB project prompted the organization to install the "invisible" problem identification system.

Table 1: Scaling up Social Innovations

Configuration	Approach to change	Strength	Challenge	Pathway for scaling	Risk
Volcano	Learning and experimentation	Inclusive and participatory organizational culture	Defining strategic focus	Centralization of the strategy	Fail to generate energy and excitement within the organization
LEGO	System change starts with community change	The emergence of new networks and partnerships	Connecting place-based strategy to broaden policy / economic change	Creation of strategic conversations to consolidate elements at a higher level	Hinder dissemination of principles and ideas
Polishing Gemstones	Refining selling more of a good product (controlled replication)	Gives credibility, legitimacy, and reputation to the organization	Short-term managerial thinking in a complex problem domain	Potential partnerships with a system-focused movement or organization	Loss of quality

Source: Westley, Antadze, Riddell, Robinson & Geobey (2014)

Westley, Antadze, Riddell, Robinson, & Geobey (2014) state that in the Volcano configuration, volunteers are very important. Our survey managed to identify the public institution (PI) named Social Taxi, which is a social business in Lithuania. Social Taxi can be attributed to the Volcano configuration when it comes to evaluating the risks and determining how to organize activities while maintaining voluntary and efficient use of resources and organizational excitement. The aim of this social business – to help people with mobility disabilities to get to where they need. This was conducted by evaluating respondents’ opinions through 300 questionnaires.

The LEGO configuration emphasizes partnerships, local networking, and cooperation to create social impact. Westley, Antadze, Riddell, Robinson, & Geobe (2014) cite the example of Tamarack Institute’s community initiative in Waterloo, Ontario. Tamarack was founded to reduce poverty and

create systemic social change. Its strength is that the market niche that it fills features local area networks and partnerships. Tamarack’s business encompasses 100 communities in Canada. This institute was launched to help and motivate 5,000 poor people, and by 2010 the number had risen to 147,000 people. Home Institute changed Canada’s national political sphere by developing a system to help the needy. However, members acknowledge that the risk of resistance and unforeseen circumstances will always exist. Humana People to People Baltic, a public institution in Lithuania, has which is based by the LEGO configuration because this social business ensure the supporting of labour market in the country, enhancing economic and social value through participation in international projects.

The Polishing Gemstones configuration is appropriate for developing innovative business systems. Its critical success factor is quality. Westley, Antadze, Riddell, Robinson, & Geobey (2014) analyse The Centre for Children Committing Offences, established in Toronto in 2001, and its project Stop Now and Plan. The project helps juvenile offenders younger than 12 to attend school and integrate into social activities. Its consistent objective has been to change both the public approach to juvenile offenders and their lives. The project expanded into the U.S. and Europe on the strength of its systematic action program. The survey enable to identify another company – Talent Garden – public institution in Lithuania, which is based by the LEGO configuration to maintain its reputation as an organization adapting the Italian francize to Lithuania by providing services for freelancers and youth and forging partnerships with universities and NGOs. This company integrates students in learning activities, present modern career opportunities with free workshops.

3. POPULATION SERVED BY SOCIAL BUSINESS MODELS

Previous literature identifies stakeholders as the population served by social business models. The view of social business models often identified at efficient use of economic value to create social change (Boons & Ludeke-Freund, 2013; Michelini, 2012; Dawson & Daniel, 2010; Novkovic, 2008; Yunus, 2007). That contrasts with general views of social innovation, wherein the achieving of social goals relies on interactions among participants.

Beschorner (2013), Neumeier (2012), and Porter and Kramer (2011) highlight the changes that result when a social business generates new attitudes and group behaviors. Table 2 identifies the population served by social business models and relevant characteristics noted in scholarly sources.

An analysis of survey results reveals that most social businesses in Lithuania are public institutions and nongovernmental organizations. The main populations served by social business models are eligible people, eligible activities such as education, sports, and medical care, and stakeholders.

Table 2: Population served by Social Business Models

Population Served	Goals	Incomes and profit	Sources
Eligible people / society	Social value development	Social effect solving regional and global problems	Michelini (2012), Yunus (2007), Prahalad and Liebherthal (2003)
Consumers	Individual needs and satisfaction	Economic impact	Simanis and Hart (2008), Alter, Oppenheimer, Epley and Eyre (2007)
Eligible social activities	Social value development	Social impact	Vorevičienė and Butkevičienė (2015)
Unions / Movements / Cooperatives	Social value development	Social effect solving regional problems in a micro level. Based on voluntary.	Maurer and da Silva (2014), Neumeier (2012)
Nonprofit organizations / Public institutions	Social value development	Revenues for funding social effects and activities. Based on volunteering.	Boschorner (2013), Michelini (2012)
NGO	Economic and social values development	Generated as charity and funding for solving social problems	Vorevičienė and Butkevičienė (2015)
Government	Economic and social value development	Funding social effects and social businesses	Murphy, Huggins, and Thomson (2015), Michelini (2012)
Stakeholders	Economic value development	100% of profit	Boschorner (2013), Michelini (2012), Porter and Kramer (2011)

4. OBJECT AND BENEFITS OF SOCIAL BUSINESS MODELS IN LITHUANIA

In analysing the theoretical aspects of social business models in Lithuania, it is important to identify their primary purpose and the ultimate beneficiary. Survila, director of the NGO Hive, notes, “One of the greatest potentials of social business is social service decentralization in Lithuania. For most people, they are offered in large public institutions, with a huge administrative process. They are the legacy of the Soviet Union period (Social Enterprise Summit

Report, 2015, p. 10). In Lithuania, the appropriate legal term of social entrepreneurship is “public institution”. Lithuanian law permits this kind of organization to conduct commercial activities in public interest. Promoting the social development of businesses provides income tax relief because profits must be plowed back into the organization. This perspective

contradicts that of Survila. Matulevičius, head of Social Taxi, claims that the organization as a public body does not assure business continuity or EU support for short-term projects and tax advantages. Thus, Lithuanian public institutions are flawed in practice, necessitating the creation of social businesses to promote accountability and transparency. Transitioning public bodies into social businesses that compete in the market assures the continuous pursuit of social goals. in public interest. Promoting the social development of businesses provides income tax relief because profits must be plowed back into the organization. This perspective contradicts that of Survila. Matulevičius, head of Social Taxi, claims that the organization as a public body does not assure business continuity or EU support for short-term projects and tax advantages. Thus, Lithuanian public institutions are flawed in practice, necessitating the creation of social

businesses to promote accountability and transparency. Transitioning public bodies into social businesses that compete in the market assures the continuous pursuit of social goals.

The ongoing Leader Funding Program (Leader) supports the creation of networks of local action groups. During 2014–2020, Leader intends to allocate €113 million (Social Enterprise Summit Report, 2015: 10). The 2015 Social Business Forum criticizes Lithuania’s primary social business model, which is that of a public body, for short-term goals, lack of public disclosure, and poor business continuity. Lithuania needs social business models that promote financing of the Leader program, which emphasizes social business promotion, structural support from the EU, and private initiatives.

Respondents culled from a university mailing list were asked to complete an online questionnaire via social media (n = 300; ages 16–75). Respondents participated via an electronic link to the questionnaire. The reliability of answers was measured using Statistical Package of the Social Science 19.0 (SPSS) software to calculate Cronbach’s Alpha (Table 3). We measured responses regarding the benefits of social business models on a four-point scale (1 = strongly disagree to 4 = strongly agree) after presenting the concept as a new business pattern in Lithuania. Cronbach’s alpha indicated sufficient reliability (0.793 / 0.851 / 0.894 / 0.610) for evaluating results.

Table 3: Instrument Estimating Benefits of Social Models

Instrument questions (Cronbach’s alpha)	Loadings
Is it beneficial to create social business models that generate social and economic value in partnership with non-profit organizations and NGOs in Lithuania? (0.793)	
Strongly agree	0.770
Agree	0.772
Disagree	0.657
Strongly disagree	0.661
Is it beneficial for government to create and develop social businesses in Lithuania? (0.851)	
Strongly agree	0.810
Agree	0.700
Disagree	0.671
Strongly disagree	0.620
Does it benefit society to create and develop social businesses in Lithuania? (0.894)	
Strongly agree	0.873
Agree	0.797
Disagree	0.795
Strongly disagree	0.749
Is it beneficial for companies to create and develop social businesses in Lithuania? (0.610)	
Strongly agree	0.736
Agree	0.647
Disagree	0.559
Strongly disagree	0.550

To assess respondents' views regarding the population served by social business models, we used a five-point Likert scale (1 = strongly disagree, 2 = disagree, 3 = neither disagree nor agree, 4 = agree, and 5 = strongly agree). Analysis of the 300 respondents showed that most respondents (66.7%) identified the disadvantaged as the population served by social businesses, followed by socially supported public activities (52.7%), stakeholders (shareholders, suppliers), groups (non-profit organizations), local communities and government structures, and cooperating with businesses (46%). The negative

assessment (21.3%) for consumers stands out.

Table 4 shows respondents' opinion on whether it is useful for Lithuania to create social business models that generate social and economic value in partnership with non-profit and nongovernmental organizations (strongly agree 60.3%, agree 36%, disagree 3.3%, strongly disagree 1%). Respondents see the social business model as being useful for Lithuania. However, the poor perception of benefits to society and companies is noteworthy.

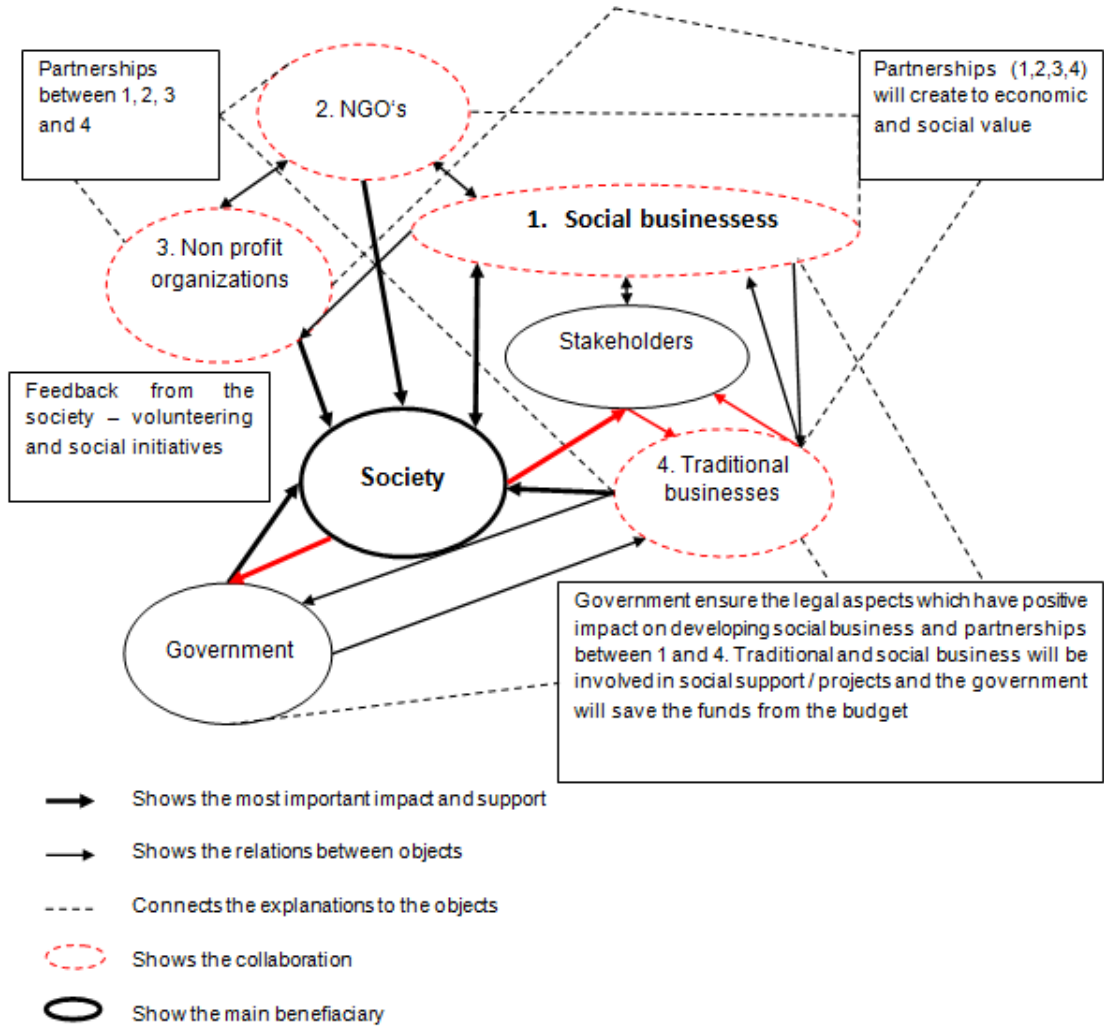
Table 4: Estimation of the beneficiaries of social business models

Instrument questions	%
Is it beneficial to create social business models that generate social and economic value in partnership with nonprofits and NGOs in Lithuania?	
Strongly agree	60.3
Agree	36
Disagree	2.7
Strongly disagree	1
Is it beneficial for the government to create and develop social businesses in Lithuania?	
Strongly agree	41.7
Agree	53.7
Disagree	3.3
Strongly disagree	1.3
Does it benefit society to create and develop social businesses in Lithuania?	
Strongly agree	75,7
Agree	21
Disagree	2
Strongly disagree	1.3
Is it beneficial for the company creating and developing social businesses in Lithuania?	
Strongly agree	10
Agree	20
Disagree	47
Strongly disagree	23

Respondents confirmed that social business models are useful for the government (strongly agree 41.7%, agree 53.7%, disagree 3.3%, strongly disagree 1.3%). Respondents confirmed that social business models are useful for society (strongly agree 75.7%, agree 21%, disagree 2%, strongly disagree 1.3%). Respondents believe that social business models do not create benefits for companies (strongly agree 10%, agree 20%, disagree 47%, strongly disagree 23%).

Based by the results of survey, main beneficiaries of social business are defined in Figure 1. The main social business beneficiary is the society (social eligible people, refugees) which get support from the government, the social businesses (PI Humana People to People Baltic), nonprofit organizations (World Health Organization, Caritas, Food Bank), NGOs and traditional businesses as social initiatives or short term social projects.

Figure 1: Model of social business in Lithuania



Representatives of social businesses in cooperation with non-profit organisations, non-governmental organisations create the opportunities to expand the areas of activity and to improve the accessibility of social services using volunteering, social initiatives as effective communication promoting the provided products or services. Thus, feedback in respect of society and at the same time the social impact are created, with a view to efficient use of the financial contribution from the shareholders for the development of social business and well-being of the society. If the government promoted the development of social business by providing a more favourable legal framework, social and economic value would be created. A smaller part of the budget should be allocated to social security and management of its infrastructure, since a part of the support would be provided from social business and traditional business partnerships. The government would also encourage continuous cooperation between traditional and social business using annual tax advantages (cutting the profit tax). As the cornerstone aspect of social business is the development of partnerships, cooperation with traditional business or small business organisations would be important in order to obtain additional sources of funding or find outsourcing opportunities. In the presented model, it is very important that the public should be involved more actively in the development of social impact by participating in social unpaid initiatives organised by the non-profit organisations, NGOs, social business. The public should be encouraged to engage in voluntary activities, so that constant development of social value would take place.

We assessed social business models in Lithuania on a 10-point scale. The median estimate (3.89) shows that the social

business model is either new or not a well-known phenomenon and unflatteringly identified. This could affect the assessment of the social and business stage. Respondents express a lack of information (87.7%) regarding social businesses, and 85% prefer to receive more information from mass media. Respondents overwhelmingly believe (86%) that social business models in Lithuania are in their initial stages, 12.7% say that they have reached the expansion stage, and 1.3% believe that they are mature.

The study shows that the social business model is little known and often confused with social enterprises in Lithuania. Social enterprises employ people who have lost the professional or personal capacity to work, are economically inactive, and cannot compete in the labor market (Lithuanian Government, 2004). According to the Ministry of Social Enterprise Law (No. IX-2251), the state must cover their employment (wages, social insurance contributions, partial compensation for each employee belonging to target groups, and subsidies). Social businesses observe the continuity principle: company profits are reinvested for the social good, and the company survives without additional state or EU funding.

5. CONCLUSION

Social businesses reinvest their profits to meet the social purpose for which they were created. In doing so, they can survive without additional funding from the state. The best-known forms of social business in Lithuania are volunteering, charitable work, sponsorship, and social investment. Social businesses serve disadvantaged persons, public activities, and stakeholders. Lithuania's best known social businesses are Lithuanian Caritas, Humana People to

People Baltic, Food Bank, Social Taxi, and Talent Garden.

Social businesses are groups of people joined in a network to serve the socially eligible, consumers, regions, public activities, stakeholders, communities, and government. Online survey results showed the opinion of respondents that eligible people, eligible activities, and stakeholders constitute the main objects who benefit of social business models in Lithuania.

Survey respondents were negatively disposed toward establishing and developing social business models because they lack information and believe that social business models are in their infancy in Lithuania. They also believe that it is worthwhile to create business models that generate social and economic value in partnership with nonprofit and nongovernmental organizations.

To sum up, social businesses generate opportunities by involving companies, governments, nonprofit organizations, society, and universities. Social business models create socioeconomic value and social impact by exploring new markets through partnerships with international nonprofit organizations. This is an empirical analysis of the concept of the social business model and its current situation in Lithuania. This study draws data from 300 questionnaires. The respondents, who were asked to fill a questionnaire via social media and university mailing lists, participated in an online survey that provided an electronic link to the online description and the online questionnaire. The answers were measured using SPSS software, and their reliability for analysis was confirmed by Cronbach's alpha.

Analysis revealed that the most popular forms of social business in Lithuania are public institutions and nongovernmental organizations. The main beneficiaries of social business models are eligible people, eligible activities such as education, sports, and medical care, and stakeholders. The objects of social businesses are disadvantaged people, socially supported public activities, and stakeholders.

The respondents were disinclined to establish and develop social business models because they did not have adequate information and preferred to receive more information from the mass media. This finding suggests a negative opinion of respondents regarding the basis for, and laws to, create and develop a social business in Lithuania.

Respondents indicated that social business models are in their infancy in Lithuania and that it is worthwhile to create business models that generate social and economic value in partnership with nonprofit and nongovernmental organizations. Respondents saw little benefit for companies.

The social business model, providing the relationships with other subjects, has been created. Creation of mutual value (economic and social) would be ensured through the development of partnerships having established effective communication via non-governmental and non-profit organizations, implementation of a coherent strategy for social activities, recruiting volunteers and cooperating with traditional business. Such a model should have a positive meaning to the structure and financing of social services, since partnerships of social and traditional businesses would create permanent funding

for social spheres, and the government could allocate fewer funds to the field of social services. Volunteering and involvement of the public in the creation of social value are very important for operation of the model; the government should provide favorable conditions for the creation and development of social business.

Future studies could expand our theoretical model by investigating new variables and dimensions and analyzing causal relationships among the subjects investigated.

EXTENDED SUMMARY / IZVLEČEK

Pričujoča empirična raziskava se osredotoča na trenutne opredelitve socialnih poslovnih modelov v Litvi. Socialna podjetja maksimizirajo družbene koristi z udejanjanjem poslovnih praks, ki stroške ter dobiček prenašajo na končne porabnike. Ti imajo koristi od nižjih cen, primernih storitev ter boljšega dostopa do socialnih storitev.

Hibrid socialnega poslovnega modela je opredeljen kot način poslovanja, kjer je glavni cilj zagotoviti ekonomsko vrednost, ob tem pa raziskati mednarodni trg z uporabo partnerstva in koristi za družbo. Tako se sodobni poslovni subjekti osredotočajo na soustvarjanje socioekonomske vrednosti za družbo z reševanjem socialnih izzivov.

Cilj članka je analizirati predmet socialnih poslovnih modelov. Rezultati raziskave pripomorejo k boljšemu razumevanju udejanjanju dobrih praks socialnih poslovnih modelov v Litvi ter opredeljujejo prejemnike doseženih koristi.

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