A Conceptual Perspective of Social Entrepreneurship and Social Entrepreneurs in Relation to Their Characteristics and Values

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Abstract: In the 21st century, it is not new to talk about social entrepreneurship; rather it is difficult to talk about this topic in simple terms. Because the concept has been understood and explained by different authors, at different times and in different terms. But if we talk about this in simple words, social entrepreneurship means combination of the welfare of society with the enterprise having new ideas, innovations, resources, opportunities. The paper explains not only the concept of social entrepreneurship and social entrepreneur but also the different characteristics of social entrepreneurs, their social as well as entrepreneurial function, creation of development cycle through social entrepreneurship and also those five ingredients which make up successful social entrepreneurship. They are - The social entrepreneur, the nature of the organization they create, the organization’s interaction with its complex environment, the circle of social capital accumulation the social entrepreneur sets in train, the lifecycle of the organization, which takes it from inception through growth to maturity. So the social entrepreneurship all around goes hand in hand with social entrepreneurs.

Keywords: entrepreneurship, welfare, society, social.

I. WHAT IS SOCIAL ENTREPRENEURSHIP?

As per the law of survival, everything requires change. Here it also applies to the concept of social entrepreneurship. Whatever the changes the society and the business world across the globe takes place, it requires the emergence of new innovative concept of social entrepreneurship.

For understanding the social entrepreneurship, we should first understand the meaning of ‘entrepreneurship’. The origins of the word entrepreneurship stem from the French word entreprendre meaning ‘to take into one’s own hands’. The crucial role of the entrepreneur was first recognised by the eighteenth century businessman Richard Cantillon. He described entrepreneurs as ‘undertakers’ engaged in market exchanges at their own risk for the purpose of making a profit. Cantillon’s work provided the foundation for three major economic traditions: 1. the German tradition built on the work of Joseph Schumpeter with an emphasis on innovation; 2. the Chicago tradition of Knight and his work on risk and 3. The Austrian tradition of Israel Kirzner and his exploration of “alertness to opportunity”

The entrepreneur is therefore someone who discovers, evaluates and exploits profitable opportunities, taking into account risk, alertness to opportunity and the need for innovation.

So where does the social aspect fit within this framework for entrepreneurship? Social entrepreneurs are people with similar behaviours to conventional entrepreneurs but “operate in the community and are more concerned with caring and helping than with making money”. (7)

The concept of entrepreneurship has a long history in the business sector. A major theme has been the creation of value through innovation (Schumpeter, 1951; Drucker, 1985). As applied more recently to social concerns, the concept has taken on a variety of meanings. Some, for example, have focused on social entrepreneurship as combining commercial enterprises with social impacts. In this perspective, entrepreneurs have used business skills and knowledge to create enterprises that accomplish social purposes, in addition to being commercially viable (Emerson &Twersky, 1996). Not-for-profit organizations may create commercial subsidiaries and use them to generate employment or revenue that serves their social purposes; for-profit organizations may donate some of their profits or organize their activities to serve social goals. These initiatives use resources generated from successful commercial activities to advance and sustain their social activities. Others have emphasized social entrepreneurship as innovating for social impact. In this perspective, attention is focused on innovations and social arrangements that have consequences for social problems, often with relatively little attention to economic viability by ordinary business criteria (e.g., Dees, 1998b). Social entrepreneurs are focused on social problems. They create innovative initiatives, build new social...
arrangements, and mobilize resources in response to those problems, rather than in response to the dictates of the market or commercial criteria. (6) Mair and Marti (2006, p. 37) define social entrepreneurship ‘as a process involving the innovative use and combination of resources to pursue opportunities to catalyse social change and/or address social needs.’ Their definition moves beyond the initially dominating stream of research on social entrepreneurs and the personalities, qualities, values and visions of individual change agents (Bornstein 2004).(5)

Social entrepreneurship is seen as differing from other forms of entrepreneurship in the relatively higher priority given to promoting social value and development versus capturing economic values.(3)

So we can say social entrepreneurship “encompasses the activities and processes undertaken to discover, define, and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner”(8)

A definition of social entrepreneurship could be based on the process that is followed or on the outcomes that are achieved. Academics are likely to agree on an outcome of ‘addressing social needs’ but reaching a consensus of opinion on the process to achieve this is likely to be more problematic. In social entrepreneurship there is no proven method, code of practice or core business model to follow. (7)

II. WHAT IS SOCIAL ENTREPRENEUR?

We can consider social entrepreneur as a ‘Rare Breed’. Social entrepreneurship describes a set of behaviors that are exceptional. These behaviors should be encouraged and rewarded in those who have the capabilities and temperament for this kind of work.

Should everyone aspire to be a social entrepreneur? No. Not every social sector leader is well suited to being entrepreneurial. The same is true in business. Not every business leader is an entrepreneur in the sense that Say, Schumpeter, Drucker, and Stevenson had in mind. While we might wish for more entrepreneurial behavior in both sectors, society has a need for different leadership types and styles. Social entrepreneurs are one special breed of leader, and they should be recognized as such. This definition preserves their distinctive status and assures that social entrepreneurship is not treated lightly. We need social entrepreneurs to help us find new avenues toward social improvement as we enter the next century. (1)

Social entrepreneurs are the idea champions; people who advance change, working within, between and beyond established organizations. The social entrepreneur also helps others discover their own power to change by helping them envision a new possibility and recognize how it can be broken down into doable steps that build momentum for change (p. 25)

Peter Drucker argues that social entrepreneurs“...change the performance capacity of society” (Gendron, 1996, p. 37) while Henton et al. (1997) speak of ‘civic entrepreneurs’ as “…a new generation of leaders who forge new, powerfully productive linkages at the intersection of business, government, education and community”. (4)

III. WHO CAN BE CONSIDERED AS SOCIAL ENTREPRENEURS?

Social entrepreneurs will be one of the most important sources of innovation. Social entrepreneurs identify under-utilized resources – people, buildings, equipment – and find ways of putting them to use to satisfy unmet social needs.

➢ They innovate new welfare services and new ways of delivering existing services.
➢ Social entrepreneurs who deploy entrepreneurial skills for social ends are at work in parts of the traditional public sector, some large private sector corporations and at the most innovative edge of the voluntary sector.
➢ Social entrepreneurs are driven, ambitious leaders, with great skills in communicating a mission and inspiring staff, users and partners. In all these cases they have been capable of creating impressive schemes with virtually no resources.
➢ Social entrepreneurs create flat and flexible organisations, with a core of full-time paid staff, who work with few resources but a culture of creativity.
➢ The work of social entrepreneurs creates value in several ways. They operate as a kind of research and development wing of the welfare system, innovating new solutions to intractable social problems. They often deliver services far more efficiently than the public sector.
➢ Most importantly, they set in motion a virtuous circle of social capital accumulation. They help communities to build up social capital which gives them a better chance of standing on their own two feet (2)
IV. WHAT SOCIAL ENTREPRENEURS SHOULD BE LIKE?

At first sight the idea of social entrepreneurship might seem paradoxical. The term social entrepreneur creates confusion whether to become social or entrepreneurial. As Entrepreneurs are hero figures in the profit-seeking private sector. They have to bring social welfare and entrepreneurship together in social entrepreneurship. They should be social as well as entrepreneur.

- The entrepreneurs are social in several senses, like their output is social; they promote health, welfare and well-being. Their core assets are forms of social capital – relationships, networks, trust and co-operation – which give them access to physical and financial capital. The organizations they found are social, in the sense that they are not owned by shareholders and do not pursue profit as their main objective. These organizations are social also in the sense that they are part of civil society, rather than the state. Indeed they are innovative often because they are at odds with the central and local state. Social entrepreneurs are often community entrepreneurs, attempting to regenerate the locality, estate or neighbourhood in which they are based. However, not all social entrepreneurs are based in geographically defined communities. Many serve wider constituencies.
- As entrepreneurs, they excel at spotting unmet needs and mobilizing underutilized resources to meet these needs. They are driven and determined, ambitious and charismatic.

Social entrepreneurs are driven by a mission, rather than by the pursuit of profit or shareholder value. In the private sector it is quite possible to be a successful entrepreneur without being at all innovative. In the social sector it is far more likely that an entrepreneur will also be an innovator. The people highlighted in this report are entrepreneurial because they are innovative: they develop new services and organizations. (9)

The value of social entrepreneurs comes in three main forms,
- in the short run, social entrepreneurs may bring measurable benefits to the wider economy by creating jobs, generating output or saving on public spending
- in the medium run, they have great value as potential models for the reform of the welfare state, if they can work more productively in alliance with the public sector
- Their more important long run contribution is their ability to create and invest social capital.

Perhaps the most significant contribution social entrepreneurs make is in helping us to address what is probably the most pressing question our society faces: can a secular society, exposed to the rigors of the global market, based on individual choice, lacking the settled ballast of religion or traditional social hierarchy, in the midst of a global communications explosion also foster a sense of belonging, trust, respect and cohesion? These schemes all help us frame some of the answers to this question.

Social entrepreneurs start from recognition that the environment they work in is complex; fluid and fast moving. They embrace that complexity with a determination to be inclusive and compassionate. At their best, these schemes inspire a sense of confidence and optimism that a Modern, mobile society does not have to seem rootless and indifferent (10)

V. CREATING DEVELOPMENT CYCLE THROUGH SOCIAL ENTREPRENEURSHIP

Successful social entrepreneurs create a cycle of development that goes through several stages. Social entrepreneurs start with an endowment of social capital in the form of a network of contacts and supporters. This gives them access to physical and financial capital, which they can use to develop the organisation. The next step is the recruitment of further key people (human capital) and the development of a wider organisation (Organisational capital) to allow the organization to expand. If this phase is successful the organisation can enjoy strong growth with the creation of a string of new products and services as well as an infrastructure of buildings. This infrastructure becomes the social dividend of the process and the basis for a further phase of investment. The social entrepreneur creates this circle of social capital accumulation. At each stage of this circle, social entrepreneurs need different kinds of support to reach the next step.

These organisations are not static; it is in their character to grow. Growth makes it easier to attract and motivate users, staff and partners. This drive to grow is vital, but as the organisation grows it becomes more complex, more difficult to manage and more vulnerable financially. Understanding the phases of growth that these organisations go through will be vital to designing policies to support them.

With this model it is possible to explain what makes social entrepreneurs successful, how we might foster more of them and how more of them can be encouraged to grow their organisations to maturity

At the heart of the organisations profiled in this report stands a social entrepreneur who drives the organisation. None of these organisations could exist without the leadership of the charismatic individuals at their heart. Social entrepreneurs will be a vital source of the wave of social innovation Britain needs to confront the new challenges faced by the welfare state. But what makes a social entrepreneur? Social entrepreneurs are:

- entrepreneurial: they take under-utilized, discarded resources and spot ways of using them to satisfy unmet needs
- innovative: they create new services and products, new ways of dealing with problems, often by bringing together approaches that have traditionally been kept separate
Transformatory: they transform the institutions they are in charge of, taking moribund organizations and turning them into dynamic creative ones. Most importantly; they can transform the neighbourhoods and communities they serve by opening up possibilities for self-development. Successful social entrepreneurs are also: leaders, storytellers, people managers, visionary opportunists and alliance builders.(11)

VI. CONCLUSION

After getting such information about the social entrepreneur we can say that to make any approach successful the founder of that model or approach should be capable enough to maintain and fulfill the main objective of that model or approach. It means while talking about social entrepreneurship, the base of this approach i.e. social entrepreneur is of at most importance and he should take enough care to achieve the final objective with the help of other sources or ingredients.

These five ingredients make up our model to explain successful social entrepreneurship:

- The social entrepreneur
- The nature of the organization they create
- The organization’s interaction with its complex environment
- The circle of social capital accumulation the social entrepreneur sets in train
- The lifecycle of the organization, which takes it from inception through growth to maturity.

So the social entrepreneurship all around goes hand in hand with social entrepreneurs.

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