

Factors affecting social entrepreneurship



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This purpose of this report is to highlight the different factors such as networking, leadership and innovation that affect Social Entrepreneurship. This study provides an analysis of social entrepreneurship. The paper suggests the factors associated with successful social entrepreneurship, particularly with social entrepreneurship that leads to significant changes in the social, political and economic context for poor groups. In the study, a literature review combining different theories with research on social entrepreneurship is presented.

The study shows that networking, leadership and innovation plays a role in enabling the social entrepreneur to take on a different role set.

CHAPTER – 1: INTRODUCTION

BACKGROUND

Social entrepreneurship, over the years have gained a lot of attention and popularity, mostly due to its concept based on the fields of Corporate Social Responsibility (CSR), (Tozzi 2009; Murray 2007) which have turned many entrepreneurs to pursue their business initiatives towards the betterment of the society or the environment in an innovative way, and at the same time running a profitable business (Martin and Osberg, 2007). Since social entrepreneurship covers important topics such as social, political, ethical and environmental it has climbed up the agenda throughout the world, as different regions, countries, and disciplines are able to relate to social entrepreneurship (Vabarova, 2009)

Social entrepreneurship has caught the eyes of theorists around the world in recent years (Dees, 2001; Leadbeater 1997; Thompson 2002). Not only the academic researchers have shown their interest in social entrepreneurship, it <https://assignbuster.com/factors-affecting-social-entrepreneurship/>

has also caught the eyes of business researchers (Bloom and Chatterji, 2009; Thompson, 2002). Social entrepreneurship provides an interesting perspective on business research, as it combines various entrepreneurial driving forces, which are driven towards the betterment of the society. (Dees, 2001) Today with increasing concept of the companies to think and act globally, social business initiatives have become quite observable (Bamburg, 2006; Bloom and Chatterji, 2009)

The concept of social entrepreneurship was itself a big inspiration to make this report. The role of networking, leadership and innovation make this topic more interesting, in as how social entrepreneurs use such factors in development and growth of their businesses.

Recently, a Nordic research project was conducted by the Nordic Innovation centre which did a study on the topics of social entrepreneurship, the topic was mostly based on the innovative initiatives derived from environmental, social, or ethical issues, through this research it was also derived that networking plays a very important role in social entrepreneurship. The interviews with some of the social entrepreneurs clearly showed as how networking has helped them in positioning themselves and their business missions. In an interview with Diana Svensk, who initiated a business, offering ecologically hats gave an interesting view on her way to run her business as an entrepreneur: " I tend to transform every social situation – from a wedding to a formal meeting- into a ' working space'. I always grasp the opportunity to discuss and vent my opinions, regardless of the circumstances, and I frequently find myself in debates about entrepreneurship, moral, fashion, and the environment. This is how I connect

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with people, and it leads to new connections and thoughts, inspiring me to constantly act in new directions when the next day arrives” (An interview from the journal of Frigell and Gustavsson)

The concept of social entrepreneurship is mostly applied to the context of social problem solving (Dees 1998; Thake & Zadek 1997; Emerson & Twersky 1986) thus in order to find an effective and sustainable solution to these problems, solutions are generally associated with certain changes or new innovation in business creations. The concept of social entrepreneurship clearly emphasizes the innovative character of the business initiative. The replication or expansion of existing services is a valuable solution to a social problem. When the resources or capacities for the expansion of goods and services are not available then creative initiatives are used to serve wider population (Uphoff 1997, Esman & Krishna 1998) such creative initiatives represent social entrepreneurship.

Most of the literature on the leadership focuses primarily on individuals and their personal skills or attributes (Gardner 1995; Heifetz 1994) but on the other hand some of the literature believes that leadership groups may be more important than individuals, and focusing primarily on individuals may obscure essential aspects of the initiative (Paul 1982; Thake & Zadek 1997) however it is also believed that leadership-whether group or individual is important in the success of social entrepreneurial ventures.

STATEMENT OF PURPOSE

Social entrepreneurship is rising at a fast speed. Social Entrepreneurship refers to recognizing a social problem and using social entrepreneurial

principles to organize, create, and manage a venture to make social changes. (Wikipedia 2009)

Social Entrepreneurs are commonly associated with the voluntary and not-for-profit sectors. They promote health, welfare and well-being. Their assets in the form of social capital are- relationships, networks, trusts and co-operation. They should be socially networking in order to create a physical and financial capital. (Leadbeater, 1997)

The purpose of the researcher through this report is to find out the different factors that have an impact on Social Entrepreneurship.

SPECIFIC AIM:

The main specific aim of the research is to find out the impact of different factors on social entrepreneurs, thus in order to fulfill the aim of the research the study conducts case studies of different Indian Social Entrepreneurs.

RESEARCH PROBLEM AREA:

Since the group of social entrepreneurs has increased in a large number in a relatively short time, the researcher finds it relevant to study them, and analyze how they interact with their surroundings to shape their businesses. This is interesting that the social entrepreneurs In spite of performing various entrepreneurial corporate, personal and socially driven roles, sometimes do not give much importance to the certain skills required in developing the business, thus this research is set-out to make in-depth case studies of Indian social entrepreneurs and their networking, leadership and innovative behavior.

RESEARCH OBJECTIVE:

The objective of this research is to find out the impact of networking / Leadership and innovation on social entrepreneurs

RESEARCH QUESTIONS:

R1: To what extent networking has an impact on social entrepreneurship

R2: To what extent leadership has an impact on social entrepreneurship

R3: To what extent innovation impact social entrepreneur

HYPOTHESIS:

H1: Networking has a significant role in the development of social entrepreneurship

H2: Leadership has a significant role in the development of social entrepreneurship

H2a: Successful social entrepreneurship initiatives are often founded by leaders with the capacity to work with and build bridges among very diverse stakeholders

H2b: Successful social entrepreneurship initiatives have leadership that is characterized by:

Long-term commitment to the initiative

Capacity to catalyze adaptation to emerging contextual challenge

H3: Innovation has a significant role in the development of social entrepreneur

H3a: Successful social entrepreneurship involves innovations that mobilize existing assets of marginalized groups.

LITERATURE REVIEW:

SOCIAL ENTREPRENEURSHIP

The twentieth century saw the rise of social entrepreneurship, as many of the entrepreneurs who were generating phenomenal ideas, products, and wealth began to turn their focus on the chronic problems of local, national and global communities. The highly successful entrepreneurs started realizing that giving money in donations for the causes they cared is not the only option to help the society, but bring an effective change through proper utilization of funds is more appropriate way to help the community. (Grace, 2005)

Leadbeater's (1997) contribution to the research area of social entrepreneurship, The rise of the social entrepreneur, was among the first provisions within the field and provides a fundamental theoretical view of concept of social entrepreneur. Leadbeater (1997) argues that a social entrepreneur works in the intersection sector areas between private, the public, and the voluntary sectors.

Source: Leadbeater (1997)

NETWORKING

An appropriate starting point for understanding network behavior is to consider the basic question: why do companies network? There is generally a well-established answer in theory to this question, which contends that “no business is an island” (Håkansson and Snehota, 1989; 2006). The

relational view, presented by Dyer and Singh (1998), highlights that “ the (dis)advantages of an individual firm are often linked to the (dis)advantages of the network of relationships in which the firm is embedded” (p. 660). This argument is in line with the recognition within business strategy research that the boundaries of the firm are problematic to define (Foss, 2005).

Håkansson and Snehota (2006) explain the substance of this boundary problem by arguing that an organisation’s continuous interaction with other actors in its context endows the organisation with a meaning and role.

Gadde et al (2003) further emphasise this proposition: “ The basic point of departure for an industrial network approach is that firms operate in the context of interconnected business relationships, forming networks.”(p. 357)

With these theoretical references as a starting point, it is evident that relationships make sense, not the least, as they constitute a source of identification of the network actor, the firm, itself. In this aspect, networking as an activity, conducted with an intention to build and manage such relationships, makes sense as well.

LEADERSHIP

Much of the literature on leadership focuses primarily on individuals and their personal skills or attributes (Gardner 1995; Heifetz 1994) while the other primarily focuses on the groups as focusing primarily on individuals may obscure essential aspects of the initiative (Paul 1982; Thake and Zadek 1997). However leadership whether group or individual is important in the success for social entrepreneurs.

According to (Dees et al 2002) it is interesting to know that in order to make difference around them social entrepreneurs sacrifice the benefits that they

could have achieved through working in for-profit sectors. The ability of an entrepreneur to mobilize resources and resources are the keys for successful leadership quality. One of the important factor in the leadership of a social entrepreneur is to motivate people to work for them, only social entrepreneur with good leadership quality is able to motivate others to sacrifice the benefits and help him in changing the world.

Leadership does not come with the job title, age, race, religion, gender, color etc. A good leader should have certain qualities like

- Charismatic
- Convincing
- Credible
- Capable
- Visionary
- Focused

INNOVATION

Innovation is a very important factor for the development of social entrepreneurs. Not all provision of goods and services amounts to social entrepreneurship. In many cases, replication or expansion of existing services is a valuable solution to a social problem but does not necessarily require social entrepreneurship. When the resources or capacities to duplicate existing services for poor or marginalized groups are not available, creative initiatives that reconfigure existing resources or services for more effective or wider delivery are imperative to serve wider populations (Uphoff et al 1997)

Source: The Researcher