



A SYSTEMATIC LITERATURE REVIEW ON SOCIAL ENTREPRENEURSHIP AND CHARACTERISTICS OF SOCIAL ENTREPRENEURS

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Abstract

This study undertakes an analytical and systematic review of “Social Entrepreneurship” considering both the “Social” and the “Entrepreneurship” domains in the concept of Entrepreneurship. On the both points, there is a range of significant differences marked by the performance of social goals and what are thought of as the features of entrepreneurship. Researcher has used 15 articles to review the literature and those articles were taken from the top level journals available. The study concludes with a proposal of a suitable explanation of the concept: social entrepreneurship is exercised where some person or persons aim either exclusively to create a social value of some kind, or pursue that goal through some combination of recognizing and exploiting opportunities to create this value, employing innovation, tolerating risk and deciding to accept limitations in available resources. And has identified characteristics unique to the social entrepreneur.

Keywords: *Entrepreneurship, Social Entrepreneurship, Dimensions*

Introduction

The concept of social entrepreneurship has become well established in business world. Popular as well as scholarly articles are written about characteristics of organizations and individuals who engage in social entrepreneurship. It holds a place in the syllabuses of leading business schools and it is a subject of many academic courses. There are many associations dedicated to studying and implementing social entrepreneurship and, there are many websites distribution information and advice on putting social entrepreneurship into practice. As well as there are many journals and special editions dedicated on social entrepreneurship.

The real question remain what social entrepreneurship is. Is it just the application of sound business practices to the operation of non-profit organizations as Reis, (1999) suggested or is it different approach to the business of doing good? It is said that, social entrepreneurship is emerging as an innovation approach for dealing with complex social needs, particularly, in the area of diminishing public funding.

There are many practical reasons to constitutes social entrepreneurship. One is social entrepreneurship may call for quite different standards of evaluation when compared with standard forms of entrepreneurship. Second, social entrepreneurship is believed to be a promising instrument for addressing social needs. Third, it may be that mix of managerial competencies appropriate to successful pursuit of social entrepreneurship differs in significant ways from the mix relevant to success in entrepreneurship without the social component. This study does not focus on settling these constitutional issues rather focuses on what social entrepreneurship is and what characteristics of an individual or an organization are considered when applying the label of “Social Entrepreneurship”. It is important to consider when referring to social entrepreneurs whether they are maintaining the two contexts namely: the social element of the business venture and the entrepreneurial component of the business venture.

The research question of the study would be What is social entrepreneurship and what are the characteristics of social entrepreneurship? In the study, we assume that both social entrepreneurship and social enterprises are similar and in the recommendation of the study, the answer to what is social entrepreneurship and characteristics of social entrepreneurs are provided.

Methodology

In this study, the main focus is given towards social entrepreneurship and what makes social entrepreneurship. The main approach of providing answers for these questions are the reviewing the previous literature and based on the literature, the answers are generated.

While generating the ideas for social entrepreneurship, researcher focuses on top level journals and collected and reviewed 15 articles relevant to social entrepreneurship domain. When collecting and reviewing articles the researcher follows to a time frame. The time frame was from 1995 to 2017. In order to get a worthy exposure in the concerned area, researcher has taken



articles from different contexts. In supporting the literature, the researcher went through their research findings and conclusions of past studies and understood how the social entrepreneurs have been constructed through the literature.

Findings

Numerous studies have been done for the main domain of entrepreneurship, from past to present and social entrepreneurship is rarely addressed since it is a new area. For some people it is very interested to start a business to achieve social goals rather than achieving profits. In the point of here, Social entrepreneurs are coming into play and this field has been concerned as a new trend of Entrepreneurship, thus literature also turned a new arena.

Dess, (1998) declares that, “social entrepreneurs are one species in the genus entrepreneur”. Social entrepreneur will simply be someone who organizes and/or operates a venture or corporation, which features social goals.

Despite increased interest in social entrepreneurship, scholarly research has been challenging and fragmenting. Definitions of social entrepreneurship have been developed in a number of different domains, such as not-for-profits, for-profits, the public sector, and combinations of all three, and thus a unified definition has yet to emerge (Weerawardena J & Mort G S, 2006). Some definitions limit social entrepreneurship to non-profit organizations (Lasprogata G & Cotton M, 2003), while others define social entrepreneurship as for-profit companies operated by nonprofit organizations (Wallace, 1999). To link the gap between our current understandings of social entrepreneurship and to identify the characteristics of social entrepreneurs this study first analyzes the current state of intellectual exchange among scholars.

According to Nicholls, (2006), the term of social entrepreneur was introduced in 1972 by banks, who noted that social problems could also be deployed by managerial practices. At the same time, some highly successful social entrepreneurs attracted considerable media attention. For example, Muhammad Yunus, founder of the Grameen Bank for microfinance and recipient of the Nobel Peace Prize in 2006, and Jeffrey Skoll of eBay, who founded the Skoll Foundation supporting social entrepreneurship and was included among Time Magazine's 100 People of the Year in 2006 (Brigitte Hoogendoorn, et al., 2010).

Perhaps the most elaborate model of social entrepreneurship is developed by Mort, Weerawardena and Carnegie (2003). They argue that social entrepreneurship is a “multidimensional” construct formed by the intersection of a number of defining characteristics. Referring to a variety of scholarly work on entrepreneurship, they state that social entrepreneurs first of all “exhibit a balanced judgment, a coherent unity of purpose and action in the face of complexity” (Mort et al., 2003).

There is broad agreement that social entrepreneurs and their undertakings are driven by social goals; that is, the desire to benefit society in some way or ways (Brigitte Hoogendoorn, et al., 2010). This is another way of saying that the social entrepreneur aims in some way to increase “social value” to contribute to the welfare or well-being in a given human community. Disagreement takes place over the location social goals must have in the purposes of the entrepreneur or his/her undertaking.

At one extreme are those who hold that some social goal(s) must be the exclusive aim of the social entrepreneur. As social entrepreneurship scholar, for social entrepreneurs, the social mission is explicit and central (Dees, 1998). Mission-related impact becomes the central criterion, not wealth creation. Wealth is just a means to an end for social entrepreneurs. The claim that any wealth generated is just a means to the social end suggests that financial benefit to the entrepreneur has no place among the goals of the undertaking. Accordingly, Peredo, (2003) also locates the concept of social entrepreneurship in the world of non-for-profit (NFP) organizations. This idea may even be taken to include associations aimed at delivering some social good or service without engaging in any form of exchange. Anderson and Dees (2002), for instance, ask the question whether earned income generation, resulting from some form of exchange of a product or service, is essential to social entrepreneurship. Their answer is emphatic: “No! It is not. Social entrepreneurship is about finding new and better ways to create and sustain social value”.

Weerawardena and Mort (2006) describe opportunity identification as a separate activity in which social entrepreneurs actively seek opportunities to create social value. According to their study, the process of opportunity identification and evaluation is simultaneously influenced by the social mission of the venture, organisational sustainability, and environmental dynamics. Concerning sources of opportunity identification, Thompson, Alvy, and Lees (2000) find that opportunities could arise from an individual's vision or out of necessity. Weerawardena and Mort (2006) present an empirically derived framework of social entrepreneurship, with innovativeness featuring as one of three core behavioural dimensions (along with proactiveness and risk management). According to them, not-for-profit ventures are forced to be innovative in all their social value-creating activities due to increasing competitiveness. Social entrepreneurship contains the creation of a new way of



exploiting opportunities or social challenges in a novel way. Therefore, innovation is one of the ingredients of social entrepreneurship because it involves novelty for a social enterprise to be relevant in society (Arthur Sserwanga, et al., 2014). Compared to the amount of research within entrepreneurship domain, the empirical evidence of the social entrepreneur being different from its commercial counterpart or non-entrepreneurs is scarce (Brigitte Hoogendoorn, et al., 2010). Other individuals could equally provide the necessary skills, drawing on networking abilities. In the same vein, Thompson, Alvy, and Lees (2000) conclude that it is recommendable to foster more social entrepreneurship by bringing people who have the necessary leadership skills and confidence together with people who possess innovative ideas.

Although the motives of social entrepreneurs to engage in a social entrepreneurship are described for several individual cases, conclusions are drawn by only one study (Sharir, M & Lerner, M, 2006). This research study investigates the existence of common and unique motives between commercial and social entrepreneurs. Like commercial entrepreneurs, social entrepreneurs are also driven by combinations of different motives. Some of these motives are comparable to those of their commercial counterparts such as self-fulfillment, achievement, and occupational independence, while other motives are specific to the case of the social entrepreneur such as, personal rehabilitation, search for solutions to individual distress, and fulfillment of obligations to one's community by meeting local needs or addressing social issues (Sharir & Lerner, 2006).

Social entrepreneurship combines the passion of a social mission with the business and entrepreneurship approach (Pelchat, 2005). Social entrepreneurship uses entrepreneurship principles to organize, create and manage a venture to make a social change. They are change agents with a problem-solving mission. The social mission is the core of what distinguishes social entrepreneurs from business entrepreneurs (Dees, 1998). Social entrepreneurs are like the business entrepreneurs only driven by social improvement and not profits (Arthur Sserwanga, et al., 2014).

According to Abu Saifan, (2012), although the use of the domain social entrepreneur is growing rapidly, the field of social entrepreneurship lacks thoroughness and is in its infancy compared to the wider field of entrepreneurship. Moreover he said that, success stories of individuals solving complex social problems are being used to legitimize the arena of social entrepreneurship. The interest in social entrepreneurs stems from their role in addressing critical social problems and the dedication they show in improving the well-being of society (Abu-Saifan, 2012). Furthermore he proposed a definition for social entrepreneurship, "The social entrepreneur is a mission-driven individual who uses a set of entrepreneurial behaviours to deliver a social value to the less privileged, all through an entrepreneurially oriented entity that is financially independent, self-sufficient, or sustainable. This definition combines four factors that make social entrepreneurship different from commercial entrepreneurship or other forms of entrepreneurship. Social entrepreneurs are mission-driven. They are dedicated to serve their mission of delivering a social value to the underserved. They act entrepreneurially through a combination of characteristics that set them apart from other types of entrepreneurs and act within entrepreneurially oriented organizations that have a strong culture of innovation and openness. Moreover they act within financially independent organizations that plan and execute earned-income strategies (Abu-Saifan, 2012).

The main objective of social entrepreneurship is to deliver the intended social value while remaining financially self-sufficient. This is achieved by blending social and profit-oriented activities to achieve self-sufficiency, reduce reliance on donations and government funding, and increase the potential of expanding the delivery of proposed social value (Abu-Saifan, 2012).

When comparing the definitions and characteristics of social entrepreneurs, researcher identified that, the ultimate goal of a social entrepreneur is to fulfill their social mission. When developing the business model, social entrepreneurs design their revenue generating strategies to directly serve their mission to deliver the social value.

Conclusion and Recommendations

The research was conducted based on the entrepreneurship identity as the study was based on the social copreneurship as the main discipline. Based on the finding of the study, researcher tried to understand how different authors define this concept and main characteristics they have. Researcher reviewed 15 articles and performed an analysis on a general methodological level and on a content level. The findings at this level can be summarized as follows: there are a limited number of empirical studies with a limited quantitative research approach and researches are based on relatively small sample sizes. And, Social entrepreneurship has recently emerged as a field of academic inquiry, but the lack of a common definition of social entrepreneur hinders research in this field. In this article, we reviewed literature that defined profit-oriented entrepreneurship and social entrepreneurship in order to extract the core characteristics of social entrepreneurs.



Once the researcher went through the articles researcher understood the fact that, the identities cannot be separated as context, culture and social pressure and there is no one definition for the social entrepreneur. But researcher concluded that, the main objective of social entrepreneurship is to maximize the social value.

The findings suggest three main social entrepreneurship themes, namely, opportunity recognition, exploitation and innovation. On the other hand, the findings disclose critical social enterprise contributions at both an individual and societal level. Finally as concluding the session, based on the literature, researcher has identified few key characteristics of a social entrepreneur, namely, innovativeness, dedication, initiative taking, opportunity alert, persistent and high commitment. These characteristics are common for both profit-oriented entrepreneurs and social entrepreneurs. There are some characteristics, researcher has identified, unique to social entrepreneur. Social entrepreneurs are, mission leaders, emotionally charged, change agents, socially alert, and especially social value creators.

Social entrepreneurship has succeeded significantly at the practical level, but not at the theoretical level. Future research should focus on linking social entrepreneurship as a new discipline and research field to the theory of entrepreneurship. Scholars should also focus their attention on introducing new research questions that are meaningful to the different domains that intersects with social entrepreneurship, including social innovation and the management of non-profit organizations.

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