Analysis of Social Entrepreneurship as a Growing Phenomenon: A Cross-Sectional Study to Investigate Issues and Challenges

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Abstract

Social entrepreneurship has attracted much interest in the past decade or so. Governments and commercial enterprises sometimes need to pay more attention to the social and natural surroundings due to the emphasis on economic and financial return. This current upsurge in non-profit and social outings by entrepreneurship is proving to be a successful business strategy, sparking considerable debate among academics. The study emphasizes the value of communication and cooperation for entrepreneurship in overcoming obstacles. To foster an ecosystem that will support social entrepreneurship, the paper offers a series of suggestions for practitioners and politicians. The study adds to the body of knowledge on entrepreneurial activities and gives entrepreneurs, investors, and governments new perspectives on dealing with social entrepreneurs' difficulties.

Keywords – Social Entrepreneurship, Financial Return, Social Environment, Social Responsibilities

Introduction

The phrase "social enterprise" describes its increasing interest among academics, researchers, and organizations. It has developed into an academic discipline offering significant insights to those investigating its origins and boundaries. Despite the increased focus on social enterprise, there persist in being specific issues that need to be clarified and developed. Comparatively speaking to other types of business, social entrepreneurship is built on different ideas. They are interested in value creation and social benefits, which the current institutions and companies still need to provide. As present service models are not at the level required to meet community needs, social entrepreneurial initiatives become the powerful voice of those who make this claim. The accomplishments of social entrepreneurs inspired those whose unhappiness prompted them to act.

Bulsara et al. (2015). They were told that an Enterprise with a social objective is what is known as a social entrepreneur. Change agents and social entrepreneurs use social entrepreneurship to advance...
social goals. The foundation of entrepreneurial activities is innovation. Social entrepreneurs provide design approaches to social problems such as the lack of access to education, clean water, health, money, and even fundamental human rights. These businesspeople have been crucial in developing nations when widespread resource shortages, corruption, poverty, wage stagnation, and violence lead to the repression of the populace. Most NGOs still need to give the social issues in developing countries adequate attention. In industrialized nations, we can also observe entrepreneurial activity when individuals come up with novel, affordable solutions to vexing problems, going against the grain of accepted wisdom (Öztürk, 2013). Numerous governments, notably the US, have reduced financing for charitable endeavors. This has promoted the growth of social enterprises.

Moreover, non-profit organizations and NGOs are now engaging in social entrepreneurship while operating on a smaller budget due to the worldwide push towards marketization and privatization. In order to solve social issues, social entrepreneurs work to attain the double bottom line (i.e., economic and social). They utilize their business and entrepreneurship talents (Roy, Brumagim & Goll, 2013).

As well as non-profit (commonly referred to as "social enterprise") efforts to establish company enterprises that solve societal problems fall under the umbrella of social enterprises. As market participants who establish businesses intending to create advantageous externalities, social entrepreneurs are believed to play a unique role in the economy. In other words, they want to produce favorable effects that "spill over" to those not necessarily participating in their business transactions.

Literature Review

Roundy (2017) revealed that social entrepreneurs differ from traditional business owners in participating in some of the same activities (e.g., recognizing and creating business opportunities and mobilizing the resources necessary to exploit opportunities). The accessibility of early-stage investment funding and the ecosystem's communication and transportation infrastructure are two variables likely to influence social entrepreneurs operating in entrepreneurial ecosystems. However, several particular ecosystem characteristics are crucial for social enterprises' establishment and ongoing success. These traits stand in for the elements that contribute to an entrepreneurial ecosystem being conducive to the formation and growth of social ventures, which include diversity in various stakeholders, adequate levels of support organizations, the ecosystem's culture, and chances for experiential entrepreneurial learning. These traits are investigated individually (Peredo & McLean, 2006).

Urbano et al. (2010) studied and revealed that in the current economic system, stakeholders have long nurtured the hope that businesses can solve social issues and bring value to society. Nonetheless, the phrase "social entrepreneurship" has just recently become popular. Particularly those carried out by more well-known celebrities, the charitable deeds carried out by social entrepreneurs are becoming more
and more lauded in circles of the media, journalism, and business. As a result, this kind of acknowledgment encourages potential companies to look for solutions to these societal issues. Social entrepreneurship produces different results than traditional entrepreneurship, and measuring those results is also different.

Bacq & Janssen (2011) studied that social entrepreneurship (SE) is now recognized as a significant source of value on the social, economic, intellectual, and environmental levels. SE can occur inside or between businesses, even though traditionally, it has been most recognized for its growth in the fields of governments, non-profit and voluntary organizations, philanthropy, and charity. Notably, some writers have recently emphasized the development of hybrid organizations, or new types of social businesses, which employ components from both the for-profit and non-profit sectors. As a result, the phrase "social entrepreneurship" is now used to describe the work of non-profit, public, and nonprofit-like organizations and the activity of private businesses with socially conscious rather than profit-driven goals. As they focus on addressing social needs, generating social value through social innovations, and ultimately igniting social change, this is the shared characteristic of social companies that is stressed nowadays.

Davies et al (2018) examined that Recently, one of the social enterprises that have drawn the attention of academics in entrepreneurship. Instead of focusing solely on increasing shareholder or individual profit, social entrepreneurship seeks to identify, evaluate, and capitalize on opportunities that benefit society. Social value essentially entails satisfying basic and enduring requirements, such as providing individuals who require food, water, housing, learning, and medical care. It does not have anything to do with financial success.

Maniam et al (2018) studied and found that Due to the ambiguity of its definition, social entrepreneurship and the generation of social value can be recognised across a wide range of corporate forms. By comparing the traits of hybrid social enterprises, socially conscious normal businesses, and non-governmental organisations (NGO), it is possible to see the connection between the two business pursuits of economic and social value. NGOs are non-profit organisations whose main goal is the development of social value; nonetheless, at least 5% of their earnings must originate from sources other than the market. Intuitively, hybrid social organizations are companies having both economic and social goals. They frequently use private groups as a way to achieve their social goals. Lastly, there are also common businesses that predominantly work towards commercial and for-profit goals while also making a little amount of progress towards social causes. These many organisational models serve to highlight the social entrepreneurship spectrum in certain ways.

El Ebrashi (2013) found that social entrepreneurship emerged as a component of the entrepreneurship literature. Most entrepreneurial intention literature focused on launching new industries in order to generate revenue. Therefore, starting new businesses and their results were not just considered for financial gain. Finding a match between specific requirements and
available resources, starting an innovative business, focusing on its expansion, looking for further chances for innovation, and coming up with practical results are all aspects of entrepreneurial. This provides a framework for redefining entrepreneurial, or, to put it differently, for developing novel organisational typologies that have a range of outcomes. Social entrepreneurs have a comparable function to entrepreneurs in that they solve market deficiencies. Nevertheless, in the entrepreneurial atmosphere, negative externalities go beyond disparities in pricing or the inability of some consumers to purchase particular goods or services. Social entrepreneurs are interested in market imperfections such as externalities, public benefits, and the distribution of income equality.

Mair & Martí (2006) revealed that the Scalability of a business is a barrier for social entrepreneurs. Scalability in the context of social entrepreneurship refers to the ease and speed of an opportunity's potential for development and expansion. As long-term sustainability is frequently the main priority, it is essential for new enterprises to show that their social initiatives have room to develop if they want to keep receiving outside investment. It could be more challenging for a successful enterprise to affect social change in some areas. There is a need to find efficient network techniques or activities that may encourage greater scaling for social entrepreneurs with a more locally rooted influence. This references to networks' more difficult aspect and their use in social business. Social change cannot occur in the absence of influence. When social entrepreneurs compete for influence with other powerful players in society, such as government leaders, the media, celebrities, and others, rivalry may develop amongst them.

Certo & Miller (2008) revealed that Much with other businesses, social entrepreneurs must contend with a number of conflicting institutional constraints. One of these pressures results from the requirement for successfully targeted management of social value generation, social capture, or perhaps both, which occasionally may be in conflict with one another. In order to satisfy both of their different stakeholders and handle issues that affect both ideologies, social entrepreneurs may have to choose between the virtue of charity and the ability to solve problems. Operationally, this can be challenging; the main challenge is demonstrating both economical and social expertise. One research even goes so far as to claim that any uncertainty in the firm's concentration between the two might cloud the firm's identity, undermining the organization's credibility and its objective. Some ambitious social entrepreneurs may not be able to handle the wide range of problems brought on by this operational and managerial conflict, much alone provide enough value for each corresponding group of stakeholders.

Objective: To study analysis of social entrepreneurship as a growing phenomenon

Methodology: This study is descriptive in nature in which the data were obtained from the 175 respondents involved in social entrepreneurship from various industries and experience levels. The major business areas covered in the study
were Banking and Financial Services, IT and ITEs, Retail Management, Transportation, Tour and Travel. A checklist question was used to analyse and interpret the data. In a checklist question respondents choose “Yes” or “No” for all the questions.

Data Analysis and Interpretations:

<table>
<thead>
<tr>
<th>SL No.</th>
<th>Analysis of Social Entrepreneurship as a Growing Phenomenon</th>
<th>Yes</th>
<th>% Yes</th>
<th>No</th>
<th>% No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Social entrepreneurship is a rapidly growing phenomenon.</td>
<td>157</td>
<td>89.71</td>
<td>18</td>
<td>10.29</td>
<td>175</td>
</tr>
<tr>
<td>2</td>
<td>Measuring social impact can be easy.</td>
<td>127</td>
<td>72.57</td>
<td>48</td>
<td>27.43</td>
<td>175</td>
</tr>
<tr>
<td>3</td>
<td>Social entrepreneurs use innovative business models and sustainable practices to create social change.</td>
<td>166</td>
<td>94.86</td>
<td>9</td>
<td>5.14</td>
<td>175</td>
</tr>
<tr>
<td>4</td>
<td>Social entrepreneurs bring a new perspective to social problems.</td>
<td>149</td>
<td>85.14</td>
<td>26</td>
<td>14.86</td>
<td>175</td>
</tr>
<tr>
<td>5</td>
<td>Social entrepreneurs can use online platforms to connect with customers, investors, and partners.</td>
<td>143</td>
<td>81.71</td>
<td>32</td>
<td>18.29</td>
<td>175</td>
</tr>
<tr>
<td>6</td>
<td>Investors may recognize the potential of social entrepreneurship to create social change.</td>
<td>135</td>
<td>77.14</td>
<td>40</td>
<td>22.86</td>
<td>175</td>
</tr>
<tr>
<td>7</td>
<td>Social entrepreneurs are able to align their personal values with their professional goals.</td>
<td>154</td>
<td>88.00</td>
<td>21</td>
<td>12.00</td>
<td>175</td>
</tr>
<tr>
<td>8</td>
<td>Social entrepreneurship has been facilitated by advances in technology and communication.</td>
<td>163</td>
<td>93.14</td>
<td>12</td>
<td>6.86</td>
<td>175</td>
</tr>
</tbody>
</table>

Figure 1 Analysis of Social Entrepreneurship as a Growing Phenomenon
Table 1 shows the study of analysis of social entrepreneurship as a growing phenomenon. It was found that around 94.8% respondents accept that social entrepreneurs use innovative business models and sustainable practices to create social change, has been facilitated by advances in technology and communication (93.1%), is a rapidly growing phenomenon (89.7%), able to align their personal values with their professional goals (88.0%), bring a new perspective to social problems (85.1%), can use online platforms to connect with customers, investors, and partners (81.7%), investors may recognize the potential of social entrepreneurship to create social change (77.1%) and measuring social impact can be easy (72.5%).

Conclusion

In summary, social innovation is a fast-expanding phenomenon that has the ability to significantly affect both social development and economic growth. The cross-sectional study used in this study revealed a number of significant problems and difficulties experienced by social entrepreneurs, such as obtaining funds and resources, navigating the regulatory and legal systems, creating long-term business plans, and assessing effect. Despite these challenges, social enterprises are motivated by a sense of purpose and a desire to make a difference, usually relying on cutting-edge technology and partnerships to succeed. Effective social businesses may provide economic value and new job possibilities in addition to affecting social change at a large scale. In general, social entrepreneurship presents a potential strategy for solving challenging social issues and advancing long-term economic growth. Social entrepreneurs may significantly contribute to building a more just and equitable society with the correct assistance.

References


