Challenges in Social Entrepreneurship

Dr. N.Rajendhiran and C.Silambarasan

Abstract—A social entrepreneur identifies practical solutions to social problems by combining innovation, resourcefulness and opportunity. Committed to producing social value, these entrepreneurs identify new processes, services and products, or unique ways of combining proven practice with innovation to address complex social problems. Whether the focus of their work is on enterprise development, health, education, environment, labour conditions or human rights, social entrepreneurs are people who seize on the problems created by change as opportunities to transform societies. The paper focuses on social entrepreneurs and entrepreneurship. The objective of the paper is to study about the different challenges of social entrepreneurship. How social entrepreneurs work for the benefits of the society. This paper focuses on different challenges faced by the social entrepreneurs while doing something for the welfare of the society.

Keywords—Challenges, Entrepreneurship, Transform Societies, Social.

I. INTRODUCTION- OVERVIEW OF SOCIAL ENTREPRENEURSHIP

A. What is Social Entrepreneurship?

The idea of Social Entrepreneurship has become increasingly popular as social problems in our complex modern society have grown. In a way, it is a reaction to the ‘bottom line’ philosophy of modern big business with its emphasis on short-term profit to the detriment of any long-term benefit to society as a whole or the human component of the business itself. Social Entrepreneurship seeks to harness the practical dynamism of the successful businessman to enrich and help society, especially in countries where the individual is beset with problems of dire poverty and lack of opportunity. Peter Drucker[1] argues that social entrepreneurs “...change the performance capacity of society” (Gendron, 1996, p. 37) while Henton[2] 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”. In spite of the varying definitions of social entrepreneurship, one commonality emerges in almost every description: the ‘problem-solving nature’ of social entrepreneurship is prominent, and the corresponding emphasis on developing and implementing initiatives that produce measurable results in the form of changed social outcomes and/or impacts.

For example, McLeod[3] (1996) quotes one social entrepreneur who criticized his own organization’s earlier ineffective approach, noting they originally asked “...how many people walked in the door’ rather than ‘how many people are better off for having walked in the door?’” (p. 103).

What business entrepreneurs are to the economy, social entrepreneurs are to society? They may, like business entrepreneurs, be interested in profit, but their emphasis is on social change. They are often driven, creative individuals who exploit new opportunities, question accepted norms, and refuse to give up until they have remade the world for the better. Social entrepreneurs have the same core temperament as their business peers but use their talents to solve global social problems, such as why children are not learning, and why available technology is not widely used. William Drayton[4], founder of the world’s first organization to promote social entrepreneurship, ‘Ashoka’, is credited with coining the phrase “Social Entrepreneur”, to describe a person who recognizes logjams in society and finds ways to free them.

B. What Separates Social Entrepreneurship from Social Corporate Responsibility

Social corporate responsibility involves a business making a profit while doing something ethical based on the needs of multiple stakeholders. A social entrepreneurship, on the other hand, exists with the goal of reaching out to those in need.

According to Martin & Osberg,[5] in Social Entrepreneurship, three main components are the basis for true social entrepreneurship.

a. An Existing imbalance subjugates an impoverished segment of the population.

b. Someone notices the imbalance and uses creativity and action to help.

c. A new balance develops and life is better for the formerly impoverished group as well as, often, society as a whole.

C. Can a For-Profit Organization Develop Social Entrepreneurship?

The opportunity exists for a business to create a socially responsible entrepreneurship plan, but a great deal of commitment, at all levels of the organization, will be required to implement the new plan. A business leader who is inspired to begin such a course of action will not be able to engage in 'business as usual' and expect to succeed as a social entrepreneur. A company that is doing one positive thing while still doing multiple other unethical things is not likely to reach the esteemed height of an organization that exists solely to help people. By examining a societal problem, business

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leaders can explore ways to develop products and programs that fit into the realm of social entrepreneurship.

D. Social Entrepreneurship helps

1. NGO’s need to find more sustainable ways of growing their business, particularly while facing decreasing external support. Adopting a social enterprise approach is a workable model for NGOs.
2. Entrepreneurs are looking for opportunities to develop their business ideas and meet their need to bring positive social change to their communities.

E. Directions in Social Entrepreneurship

In recent years, social entrepreneurs have looked beyond the traditional philanthropic and charitable approaches in order to find more effective and sustainable solutions to social problems. They are working with many tools from the world of business, and this shift in the character of social entrepreneurship is evident in a few trends that have emerged over the past twenty years. Many societies have become less inclined to see big government or big business as providing solutions for problems be setting the world, and there has been a shift from throwing money at large problems to systemic solutions and social investment. Across all types of government there is increased emphasis on privatization of public services, and experimentation with for-profit and hybrid forms of organization to deliver socially important goods and services, such as education and health care. There is greater scrutiny of social sector funding, and more attention to issues of impact, scale, and sustainability with the hopes of increasing the social return on investment. These trends are creating major changes in how societies around the world are dealing with social issues. They are opening the door to new forms of entrepreneurial behavior in the social sector.

II. RESEARCH METHODOLOGY:

1. Type of Research
   Research type of project will be exploratory research.

2. Method of Data Collection
   Primary data
   1. Structured Questionnaire method.
   2. In-depth Interview method.

   Secondary data
   2. Government website and other website.
   3. Sample Design
   Geographical area/ Universe:
   Salem region will be considered for study.
   Sampling Unit:
The units are all the social entrepreneurs in Salem region.
   Sampling Method:
   For this research probability sampling is used.
   The design of the sample is as follows:
   Type of the probability sampling: - Simple Random Sampling.
   Sample Size: - 100 social entrepreneurs.

3. Tools Used
   Five Point Rating scale is used for getting response.
   Factor analysis is used for data analysis.

III. DATA ANALYSIS AND INTERPRETATION

Appropriate statistical analysis will be adopted. The data will be tabulated and analyzed. For each and every factor that is responsible for the change in the decisions of the customers will be compared. Factor analysis will be used for analyzing the data. Data received through questionnaire will first be tabulated and then statistical formulas will be used for each kind of data.

IV. FINDINGS AND CONCLUSIONS

Factor analysis reflects seven crucial factors on the basis of extraction (as shown in Table I on the next page). From extraction values it can be concluded that earning profit, family and friends support, business people support, sustaining employees, promoting awareness, getting expert’s assistance, improving quality of life are the most sensitive factors of challenges of social entrepreneurs.

Business People Support, Getting Experts Assistance, Maintaining Product Quality has been identified crucial for factor 1. Getting Fund has been identified crucial for factor 2. Family and Friends Support, Government Approval has been identified crucial for factor 3. Sustaining Employees, Getting Expert's Assistance has been identified crucial for factor 4. Earning Profit, Improving Quality of Life has been identified crucial for factor 5. Maximizing Social Returns and Promoting Awareness has been identified crucial for factor 6 and factor 7. So these are the factors that create challenges to the social entrepreneurs and influence their work.

REFERENCES

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Extraction Method: Principal Component Analysis.
7 components extracted.