

# Social Entrepreneurship need and challenges

Deependra Kumar Sinha, Fabian Anuranjan Tete

St. Xavier's College, Ranchi

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## Abstract:

These days social entrepreneurship is well known and most significant field in all help and public areas. Social innovation is about creating new social structures that allow issues of justice, education, environmental protection, sustainability and/or community development to be reframed so that new solutions can come forward. Social entrepreneurs are the engines of innovation. Social innovations are new strategies, concepts ideas and organizations that meet the social needs of different elements which can be from working conditions and education to community development and health. Social innovation and social entrepreneurship may work through a variety of organizational architectures to enable change.

**Key words:** Social Entrepreneurship, innovative function, Environmental Issue, Social Issue, Financial Issue

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## I. Introduction

The terms social entrepreneur and social entrepreneurship were first used in the literature in 1953 by H. Bowen in his book "Social Responsibilities of the Businessman"<sup>[1]</sup>. Social entrepreneurship, or entrepreneurial activity with a fixed social purpose, has been on the upsurge in recent decades. A partial indicator of this surge is revealed by the growth in the number of nonprofit organizations in recent years. Social entrepreneurship needs a sociological perception because the changes intended through the social entrepreneurial process have a greater social than economic relevance. Under the lens of economic sociology, social entrepreneurship, an economic action, is viewed as a form of social action that is socially situated. And, as an economic society, social entrepreneurship can be viewed as a social creation<sup>[2]</sup>. The recent boom in social entrepreneurial activity makes a comparative analysis between commercial and social entrepreneurship timely. Social entrepreneurship is still emerging as an area for academic investigation

In India, anyone can be a social business motivated, who is the inventor, key supporter or a central functionary (may be head of the organization, secretary, investor, CEO, or administrator) of a joint enterprise, or a Non-profit organization, which raises resources through certain management and incidentally items. Business visionaries assume enormous part in driving a country's financial development and cultural turn of events. They motivate individuals to think ambitiously and to push the limit of progress. They start change in the manner we work and live to improve things. What's more, in particular, they make occupations and fortune for a country. They get the cycle of financial improvement through productive utilization of assets, labour and account.

## Objectives

Objectives of this study are to examine the sense of Social Entrepreneurship and how its help to know the function and characteristics of Social Entrepreneurs. It can also identify the challenges being faced by the Social entrepreneurs.

## II. Research Methodology

The study is depending on secondary data, no primary data was used in this study. Secondary data is collected from the journals, articles, newspapers, books and related websites.

## Entrepreneurship:

Entrepreneurship is the creation or extraction of economic value<sup>[3, 4, 5]</sup>. The people who get on in this world are the people who get up and look for the circumstances they want and if they can't find them they make them - George Bernard Shaw. Entrepreneurship is any kind of innovative function that could have a bearing on the welfare of an entrepreneur.-Joseph A. Schumpeter (1934). "Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goods and services." – A.H.Cole (1959).

| The changing definition of Entrepreneur/Entrepreneurship |                     |  |
|--|---------------------|--|
| 1753   | Cantillon           | A person bearing Risk.   |
| 1800   | Say                 | Agent combining all factors of production.   |
| 1921   | Knight              | Recipient of pure profit.  |
| 1930   | Weber               | Innovator  |
| 1934   | Joseph Schumpeter   | Ability to identify new opportunities.   |
| 1973   | Kirzner             | Contributes to movement towards equilibrium by pursuing opportunities through equilibrium. |
| 1982   | Mark Casson         | Judgment decision maker in co-coordinating scarce resources.                               |
| 1987   | Stevenson & Sahlman | The relentless pursuit of opportunity.   |
| 1990   | Gartner             | Action taken to create organization.   |
| 1991   | Bygrave & Hofer     | Characteristics of the entrepreneurial process.  |

Table 1: Systematic Development of Entrepreneurship Definition.

So we can easily say that entrepreneurs create something new, something different - they change or transmute values <sup>[6]</sup>.

**Social Entrepreneurship:**

Social entrepreneurship is an approach by individuals, groups, start-up companies or entrepreneurs, in which they develop, fund and implement solutions to social, financial, cultural, or environmental issues <sup>[7]</sup>. This concept may be applied to a wide range of organizations, which vary in size, aims, and beliefs <sup>[8]</sup>.

Actually whenever society is stuck or has an opportunity to seize a new opportunity, it needs an entrepreneur to see the opportunity and then to turn that vision into a realistic idea and then a reality and then, indeed, the new pattern all across society. We need such entrepreneurial leadership at least as much in education and human rights as we do in communications and hotels. This is the work of social entrepreneurs.

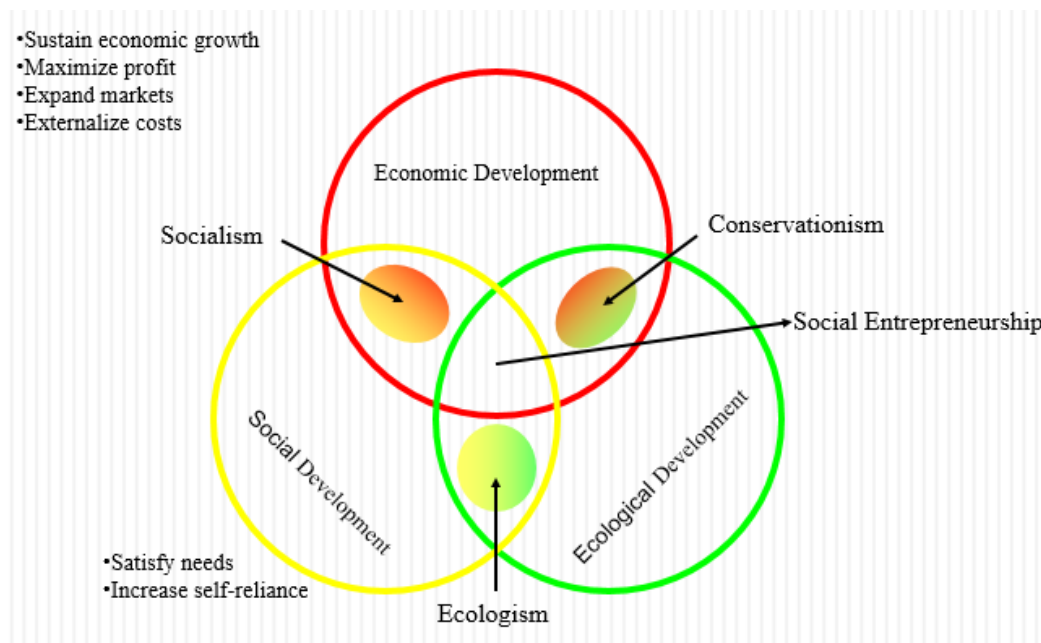


Figure 1: Schematic Representation of Social Entrepreneurship

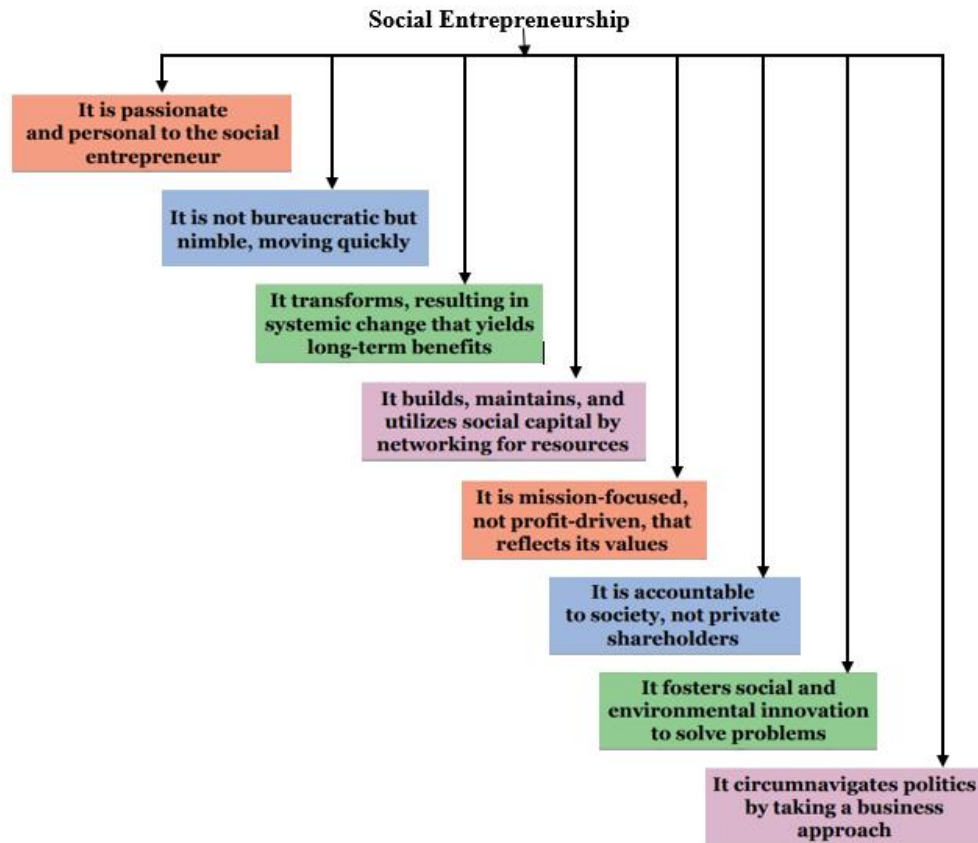


Figure 2: Schematic representation of Why use Social Entrepreneurship

**Why we need Social Entrepreneurship:**

For the longest time, most entrepreneurs chose to accumulate wealth in more private sectors. Building a company, hiring employees, manufacturing products and running a well-oiled machine was the best approach to be a successful entrepreneur in days past. Today, entrepreneurs can work to improve social issues and challenge real world problems through their businesses. A new business model has emerged which meshes with government and social organizations. Nonprofits and businesses have teamed up to form a hybrid business model, led by a new generation of social entrepreneurs.

**Role of Social Entrepreneur:**

Role of social Entrepreneurship in sustainable business <sup>[9]</sup>:

1. Adopting a mission to create and sustain social value.
2. Recognize and relentlessly pursuing new opportunities to serve that mission.
3. Engaging in the process of continuous innovation, adaptation and learning.
4. Acting boldly without being limited by resources currently in hand.
5. Exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created.

Role of social business leadership <sup>[10]</sup>:

1. Social leadership: A social entrepreneur can create a sense of shared commitment and co-ownership by embedding the social objective within the hearts of relevant social actors. By practicing societal leadership, social entrepreneurs are able to foster active citizen involvement and positively impact the rate and reach their social vision.
2. Business management: Translating vision into action. Vision led strategies must be institutionalized in the culture and structure of a social business to prevent the social business from drifting away from its social mission.
3. Personal Leadership: Self-awareness and self-development. The social entrepreneur is the heart of a social business. Personal leadership, in this context, is about the social entrepreneur’s ability to drive forward the social objective, advocate the cause, with a people’s approach to doing business whilst simultaneously achieving and preserving financial sustainability.

**Quality of social entrepreneurship:**

1. Be original and innovative.
2. Stand with your own and true ideas.
3. Ability of social upliftment by capital building
4. Be good collaborator
5. Ambitious
6. Mission driven
7. Strategic
8. Resourceful
9. Ability to solve Social problems by innovative ideas
10. Results Oriented

**Major challenges faced by social entrepreneurship**

1. Lack of Funding Support by traditional support mechanism like banks or financial institutions<sup>[11,12,13]</sup>.
2. The problem involving majority of social entrepreneurship is that it lacks the ability to scale up the enterprises to the next level because most begin with addressing social problems where the government support is scarce, the expansion opportunities become limited overtime due to resource constraints<sup>[11,12,13]</sup>.
3. Lack of proper business strategy. The social entrepreneurs often embark on the journey without having any prior business background which is entirely out of goodwill. Due to this most of them would not have the required managerial skill allowing them to plan, undertake strategic planning, financial forecasting etc.<sup>[11,12,13]</sup>.
4. Alignment with investors is as difficult as funding is to acquire for social enterprises, there has still been an upturn in recent years of impact investors looking for opportunities. This brings with it the challenge of keeping the investor on-side and engaged with the project<sup>[12, 13]</sup>.
5. Many noble ideas for social impact sound promising in the beginning and get off to a good start but get watered down in the implementation. There could be several reasons for implementation failure such as inability to grow and maintain the quality, hardships of being able to afford experienced people, waning motivation, external hurdles such as political upheaval or stock market plunge or a natural disaster, insufficient financial and human resources, and apathy and opposition from various sources<sup>[13]</sup>.
6. Scalability is another big issue with social ventures. Here, we are talking about both the scale of Impact and organizational scale. Many social ventures fail to consider how to effect change beyond their immediate need<sup>[13]</sup>.

**III. Conclusion**

This paper has suggested that social entrepreneurship represents a new, important, and growing subsector of society. It also proposes that this new field covers a variety of sector-blurring discourses that are being driven by significant institutional changes in modern societies. This paper suggests that social entrepreneurship is an umbrella term for a wide variety of organizational forms and activities. Social entrepreneurship is dependent on three pillars social development, environmental development and social development. There are some challenges related to social entrepreneurship like financial, lacks of ability, lake in expansion ability, lake of proper business ability, investor deficiencies and scalability are defined properly.

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