

Impact of Social Entrepreneurship to Organization and Business

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Abstract: *This paper targets at presenting examna affecting does social entrepreneurship organizational learning and business partnership with 168 respondent small medium entrepreneurs The sample of this study are 168 small scale business oriented apparel industry oriented creative industries in DKI Jakarta. The sampling technique is through the Slovin formula. Sources of data obtained through questionnaires and supported by field documentation. From the results of data acquisition, then analyzed through: (i) descriptive statistics; and (ii) inferential statistics through GSCA (Structured Generalized Component Analysis). The results of this study found that: (i) social entrepreneurship has a significant effect on organizational learning; (ii) social entrepreneurship has a significant effect on partnerships.*

Keywords: *Social Entrepreneurship, Organizational Learning, Partnership.*

I. Introduction

SME has an important role for the economy, including: (i) as a support and driving force of the real sector; (ii) job creation; (iii) capital creator; (iv) contribute to exports; (v) poverty reduction; and (vi) able to reduce inequality between regions. However, MSMEs are also faced with various problems, such as high levels of competition and high risk of business failure. These problems are categorized as difficulties in governance, especially the weak nature of cooperation between SMEs. Various empirical studies prove that the main factors determining the success of MSME are determined by the application of strategic management, such as organizational learning, partnerships, competitive advantage, and business performance. Some of these aspects are categorized as forming aspects of social entrepreneurship entities (social entrepreneurship). However, there is still debate whether social entrepreneurship is truly able to be a determining factor for the success of MSMEs.

II. Literature Review

Understanding the effect of social entrepreneurship on organizational learning can be seen from the opinion expressed by Kirzner (1973) which states that entrepreneurs can see opportunities for entrepreneurial profit. Opportunities are considered imperfect market participants' knowledge, and they can be captured by anyone who discovers their whereabouts before others do. Thus, according to Kirzner, the opportunity requires differential access to existing information. By responding to this, people can obtain resources and put them back together to sell the results in the hope of making a profit (Shane, 2003).

Godói-de-Sousa and Júnior (2013) conducted a study on "Social Enterprises in Brazil: Socially Produced Knowledge Versus Social Innovation" which aims to investigate whether socially generated knowledge in social enterprises in Brazil has promoted social innovation and regional development. This research is exploratory and descriptive in nature, and was developed in two stages. Initially, the sample group consisted of 378 projects selected from the Solidarity Economic Enterprises mapping, conducted by the National Secretary for Solidarity Economics. The sample was surveyed to verify the main characteristics of the company. After that, interviews were conducted with key managers in a sample of 32 projects.

Research results show not easily propose a model or uniformity of action to disseminate learning in the context of third sector organizations which aims to social innovation. Each has its own logic and before carrying out the analysis, it is necessary to recognize the individuals who participate in it and their goals and thus understand the goals of the organization and the dynamics of learning.

Proposition 1: Social Entrepreneurship Effect Organizational Learning Social Entrepreneurship and Business Partnership

Brady and Haugh (2008) conducted research related to social entrepreneurship and business networks. Based on theoretical descriptive studies show that the structure of concepts, ties, content, context, and objectives identified from the theory can be applied to the analysis of social enterprise networks. This shows that social enterprises can encourage business partnerships. Through social enterprise partnerships will be stronger in the face of the fierce business competition.

Nelson and Jenkins (2006) tried to conduct research on potential partnerships between corporations and social entrepreneurs. The results of his research show that in periods of economic and political change and

uncertainty, business budgets tend to be tight and community needs are high, there are greater incentives than before for companies, communities and public officials to work together to utilize social and commercial investment as effectively and efficiently as possible. Umi Karomah Yaumidin (2013) conducted a research on the challenges of multi-sector and multi-dimensional synergy between social entrepreneurship and corporate social responsibility. The results of his research show the distribution of corporate social responsibility programs based on social entrepreneurship triggers partnerships between companies and the community. The partnership built with the program is expected to be able to answer the challenges of multi-sector and multi-dimensional synergy between social entrepreneurship and social responsibility

Proposition 2: Social Entrepreneurship and Business Partnership

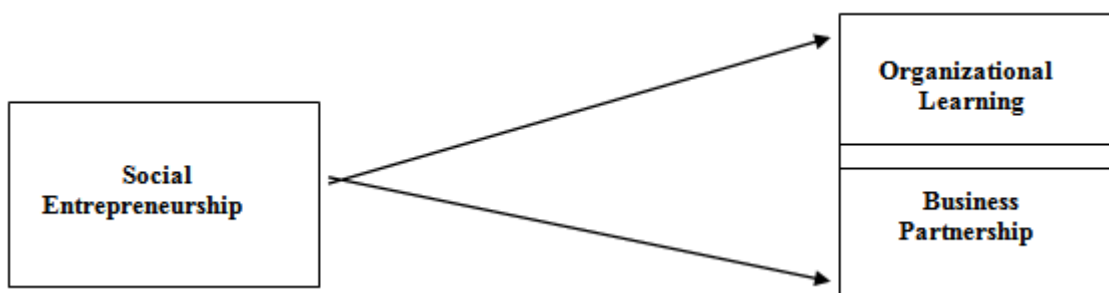


Figure 1 Conceptual Model of the Study

III. Finding And Discussion

Table 1

Variable	Loading			Weight			SMC		
	Estimate	SE	CR	Estimate	SE	CR	Estimate	SE	CR
Social Entrepreneurship (X1)	AVE = 0,595, Alpha =0,770								
X1,1	0,737	0,043	17,18	0,270	0,035	7,69	0,543	0,063	8,62
X1,2	0,807	0,033	24,66	0,357	0,027	13,48	0,651	0,052	12,54
X1,3	0,783	0,035	22,15	0,320	0,026	12,21	0,614	0,055	11,19
X1,4	0,756	0,038	19,92	0,347	0,028	12,3	0,571	0,057	10,03
Organizational Learning	AVE = 0,568, Alpha =0,741								
Y1,1	0,844	0,024	34,66	0,350	0,037	9,42	0,712	0,041	17,34
Y1,2	0,766	0,045	17,1	0,326	0,030	10,97	0,587	0,067	8,78
Y1,3	0,750	0,043	17,31	0,302	0,027	11,11	0,562	0,064	8,75
Y1,4	0,643	0,065	9,87	0,356	0,033	10,72	0,413	0,083	4,99
Business Partnership	AVE = 0,629, Alpha =0,791								
Y2,1	0,819	0,033	24,46	0,288	0,026	10,98	0,671	0,054	12,36
Y2,2	0,814	0,028	28,84	0,334	0,030	11,29	0,663	0,046	14,48
Y2,3	0,834	0,031	26,77	0,368	0,023	16,07	0,695	0,051	13,58
Y2,4	0,699	0,055	12,77	0,264	0,024	10,9	0,489	0,074	6,63

Known variables of Social Entrepreneurship (X1) have a positive influence on Organizational Learning (Y1), meaning that the higher the Social Entrepreneurship (X1), the result will be to elevate the Organizational Learning variable (Y1), where the Path coefficient obtained is 0.652 with a CR value of 11.52. Because the CR value is greater than the critical value (11.52 > 1.96), the statistical hypothesis states that H0 is rejected, meaning that the variable Social Entrepreneurship (X1) has a Significant influence on the Organizational Learning

variable (Y1).

It is known that the variable Social Entrepreneurship (X1) has a positive effect on Partnership (Y2), meaning that the higher the Social Entrepreneurship (X1) will consequently elevate the Partnership variable (Y2), where the Path coefficient obtained is 0.275 with a CR value of 2, 2. Because the CR value is greater than the critical value ($2.2 > 1.96$), the statistical hypothesis states that H0 is rejected, meaning that the variable Social Entrepreneurship (X1) has a Significant influence on the Partnership variable (Y2).

IV. Conclusions

Hypothesis 1 suspects that the variable Social Entrepreneurship (X1) has a significant positive effect on the variable Organizational Learning (Y1). Statistical test results show that there is a significant influence between the variables Social Entrepreneurship on Organizational Learning. A variety of previous studies support these findings, where the arguments most widely proposed because of training and development as a social entrepreneurial commitment proved to have a strong influence on increasing employee self-awareness of the performance achieved. Self-awareness can strengthen organizational learning management. 2. Hypothesis 2 suspects that the variable Social Entrepreneurship (X1) has a significant positive effect on the Partnership variable (Y2). The results of statistical tests show that there is a significant influence between the variables Social Entrepreneurship on Partnerships. A variety of previous studies support these findings, where the arguments most widely proposed because the distribution of corporate social responsibility programs can trigger partnerships between companies and communities. In the case of MSMEs, these activities are usually carried out on the awareness of the owner of the company of the importance of sharing knowledge with fellow MSMEs. In such a context, there is a tendency that fellow MSMEs will form a series of partnership networks.

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