

## Transformation Moments Of Social Entrepreneur

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### Abstract

*Social entrepreneurship is emerging and bringing changes with new trends across the globe. The transformation of social entrepreneurs has several aspects discussed in this study. The study aims to determine the transition of social entrepreneurship and the emerging transformation moment for a better approach. The study reviews the scientific literature, which shows the relevant knowledge and attributes of social enterprises in this study. The study uses a survey method in which 1164 responses were collected from small and micro businesses or enterprises. The results show that the present condition of social enterprises in the Asian region is not up to the mark and needs more funds and infrastructure. The study concludes that social entrepreneurship is one of the significant emerging aspects of the global business sector. The transition of social enterprises in the Asian region needs to be better and more structured.*

**Keywords:** *Social entrepreneurship, entrepreneurial transition, social enterprises, Entrepreneurial transformation.*

### 1. Introduction

These days, several kinds of social entrepreneurship are emerging across the world to deal with social issues significantly besides making profits. The initiatives taken by the governments are not widely accepted in dealing with social challenges. For innovative solutions, the role of entrepreneurs is essential, as stated by a study (Stimms, 2009). So, it can be said that the responsibility of handling social issues in a country naturally falls upon active, socially responsible entrepreneurs. Social enterprises are small and medium-sized businesses run by people who want to help people. Working well is often based on how well you organize your work environment, how well you work alone and with other team members, and how well you can choose the best solution from a range of situations. Perhaps the idea that a social enterprise can't be run without a budding enterprise should be considered (Abu-Saifan, 2012). You might have seen this quote in an article: "A social enterprise may have been started by someone who is no longer an "entrepreneur," but who has continued to rise through the ranks, becoming a supervisor or has quit" (Brouard & Larivet, 2010). However, these are infrequent events that happen mostly when business owners aren't micro or small.

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Social entrepreneurship is not just about finding new manufacturing factors, taking risks, and directing the production sector. It's also about dealing with problems at both the micro and macro levels, which is more flexible, has a wider vision, and is a subject of social change. This is what a social entrepreneur looks like today. The three authors say that "civic entrepreneurs" have five things in common, like this: Recognize that there are good things to do in the new economy; they have an entrepreneurial mindset; they work together to connect the economy and the community; and they are energised by broad, enlightened, long-term goals (Henton, et al., 1997). So, the term "entrepreneur" is now used to describe more than just one person or job. It also refers to professional training that focuses on how to grow the whole person, including their personality and skills, like how to be an entrepreneur and how to be a good friend (Bikse & Riemere, 2013). Just this century, there has been more growth in social businesses in Europe and worldwide.

Furthermore, social enterprise in Asia is still very young. So, the words "social enterprise" and "social entrepreneur" aren't very well known yet. They have caused a lot of debate in literature, so this has led to a lot of talk. It is unclear what a social enterprise is or what it means to be a social entrepreneur, though. As a result, more comparison research is hard to do (Lyon & Sepulveda, 2009). A look at the scientific literature and interviews with experts is what this article is about. It explains the concept of social entrepreneurs and identifies Latvian social entrepreneurs in the context of entrepreneurship, and it does this by looking at the scientific literature and interviews with experts.

The objectives of the study are,

- To investigate social entrepreneurship concepts.
- To identify the transition moments of social entrepreneurs.

## **2. Methodology**

### **2.1 Research design**

A study's research methodology determines the study's design and approach, making this section the heart of the paper. In this present research paper, a review of scientific literature has been conducted in this study. The study is based on a survey method in which Asian entrepreneurs participated. A survey and interviews have been conducted in order to gain knowledge about the social entrepreneurs and their situation in the Asian region. The interview was carried out with the help of experts, and the experts approved the questionnaire.

A study of theories about social entrepreneurship led to the creation of a conceptual framework for entrepreneurial and emotional intelligence. This framework is based on the study. A theoretical framework is used as the foundation for the research question's real answer (Bacq & Janssen, 2011).

### **2.2 Sampling**

In the Asian region, more than 42,000 businesses are working for money. A total of 1296 businesses were chosen for the survey. There were 1164 responses, 89.8% of the people who took part. The survey and responses have been sent and received through the Internet. In this study, a researcher interviews a social entrepreneur to learn more about how they change and what they can do. The dangers, possible gains, and future possibilities are also looked at with the assistance of these first-hand facts.

### **2.3 Hypotheses**

- Social enterprise development in the Asian region is at the initial stage, and many more enhancements are needed. Asian social enterprises are engaged in mitigating the challenges they face rather than innovating new concepts.
- Social entrepreneurs must have the significant characteristics to create inventive solutions to problems and act with encouragement.

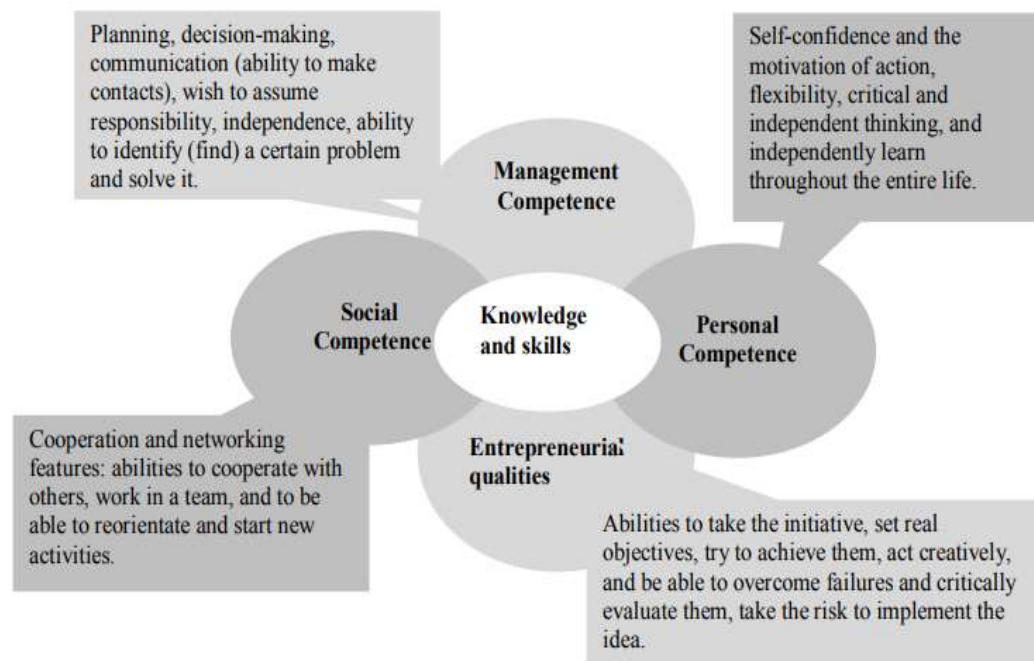
#### 2.4 Data analysis method

The data in this study is primary data collected from the survey conducted in this study. The analysis of the outcomes of the data is very much essential in this study to understand the real changes and transitions in social entrepreneurship. In this study, a descriptive statistical method is used to analyze the results obtained from the survey.

#### 3. Theoretical framework

Entrepreneurship transition and the concept of social entrepreneurship still need to be looked into in this section, but two theories are still being looked into. As a group, we could use a framework for the entrepreneurial transition to understand better social entrepreneurship, which would then be used as the foundation for our reasonable solution to the research question.

In the scientific literature, people have talked about how to transition from one business to another (Entrepreneurs, 2009); (Lyons & Lichtenstein, 2010); (Commission, 2012); (O'Connor, 2013), the authors came up with an entrepreneurial competencies framework that includes all of the elements of entrepreneurial competence and a framework for evaluating e-competence. This framework also includes a way to measure e-competence (Commission, 2012) (O'Connor, 2013).



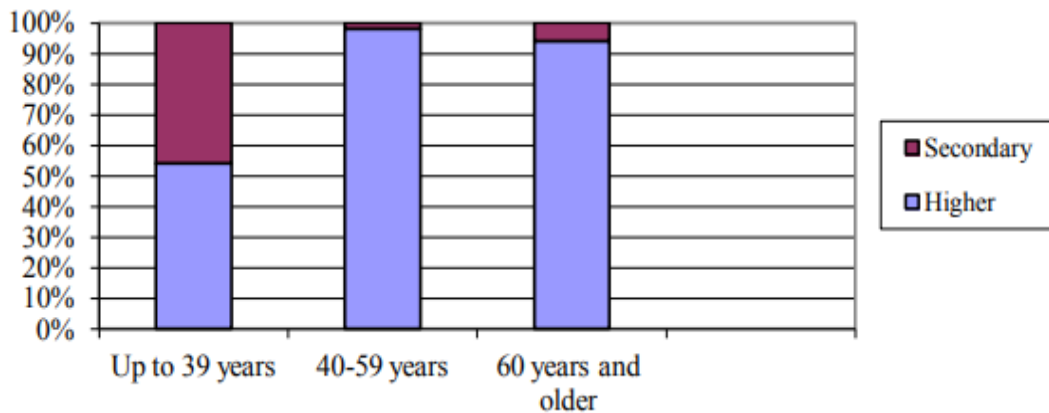
**Figure 1: Theoretical framework**

As seen in Figure 1, social competence is a crucial component of entrepreneurial ability. As a result, it may be concluded that today's entrepreneurs must have well-developed

entrepreneurial skills, including social skills (Barendsen & Gardner, 2004). A comparable structure can be found in other writers' publications in the scholarly literature on this topic area. Lyons and Lichtenstein classify entrepreneurial aptitude into four categories: 1. Technical – those responsible for carrying out the business's essential functions; 2. Managerial – those responsible for managing the business's functions efficiently and effectively; 3. Entrepreneurial – those responsible for identifying changes and devising strategies to capitalize on them; 4. Personal maturity – those responsible for self-awareness, personal accountability, emotional intelligence, and innovation (Lyons & Lichtenstein, 2010). The said paradigm is the closest thing to the framework the authors came up with to help businesses change. However, it focuses solely on entrepreneurial abilities, which is a much smaller dimension than competencies.

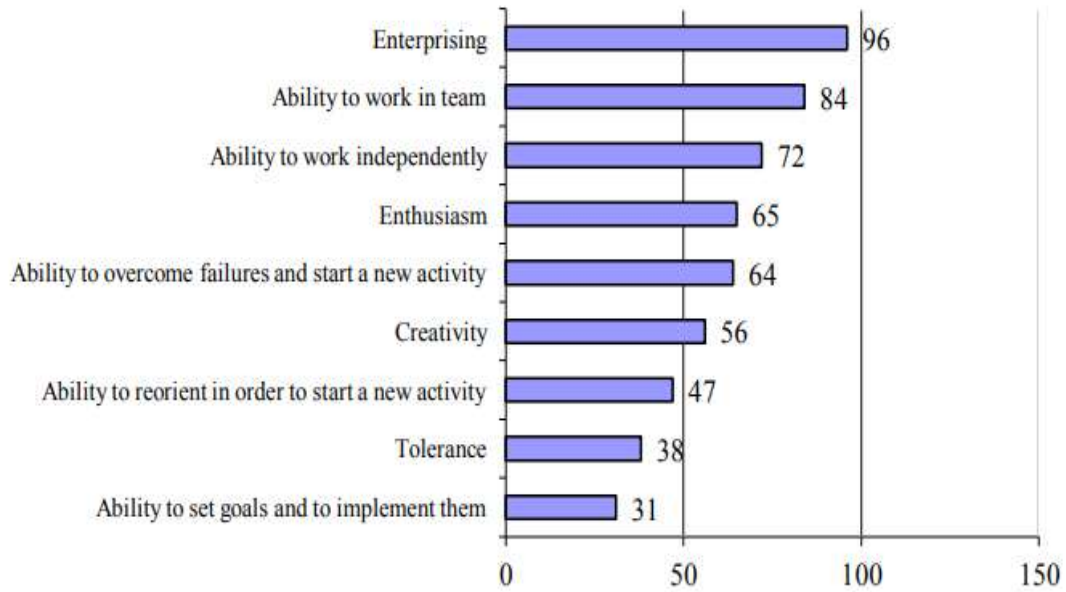
#### 4. Result and analysis

Personal characteristics and changes that social entrepreneurs go through are examined through surveys and interviews with specialists in the field of entrepreneurialism. The analysis of the data gathered through primary collection shows that the small and micro industries which are participated in the survey have a very low rate of involvement in social entrepreneurship, which is only 3% of the total 1164 responses. As a part of a social enterprise, a lot of work is done to improve environmental programs and cut down on pollution. It also helps groups at risk of social isolation get educational opportunities and apprenticeships. It's not very common for Asian social enterprises to work in areas that are important to the community. These include care and housing, as well as healthcare for groups at risk of social exclusion and the participation of society's most vulnerable populations.



**Figure 2: Social entrepreneurs (Based on education by age group division)**

Per poll, analysis of data on the personal qualities and skills of social entrepreneurs in the Asian region shows that 84% have a college degree, and only 16% have just finished ordinary secondary school. This means that most of them have a college degree (Figure 2). People under 39 years old made up 29 percent of the people who were interviewed, and people between 40 and 59 years old made up 52 percent. Entrepreneurs 60 and over made up just 19% of the total. Men make up the majority of the respondents (63 percent). According to their own assessment, 'being entrepreneurial' is the most distinguishing attribute of social entrepreneurs. This personal feature was mentioned by 96 percent of respondents as being characteristic of them; 84 percent can operate in a team, and 72 percent can work individually (Figure 3).



**Figure 3: Social entrepreneurship characteristics**

It's important to note that some personal traits, like the chance to fully in order to start a new action, tolerance, and the right to set social goals, are rated below average. These human traits, on the other hand, are very important for social entrepreneurs. This shows how important education is becoming for social entrepreneurs. Business schools should teach about social entrepreneurship, says Johanna Mair (2010). (Mair, 2010). Putting social entrepreneurs into high school and college classes is one way. We could pay more attention to the "older generation" as well as teaching the next generation.

In knowledge-based societies, training is thought to be one of the most important things that can help businesses and society grow. Unfortunately, Latvia's educational system doesn't pay enough attention to the issues above. Education systems often put a lot of emphasis on passing on educational and vocational skills, but leave social skills up to chance. When this is done, research shows that it makes teaching more effective.

## 5. Discussion

They used interviews and surveys to find out what a social entrepreneur's main reasons were for starting and running a social business, and what the potential rewards, dangers, and long-term viability of social business development might be. Social entrepreneurs should be thought of in terms of the development of social and entrepreneurial skills, as well as European Commission guidance on the implementation of the technology skills for all people, starting in childhood and continuing through their lives (Bikse & Riemere, 2013). Proposals made by the European Parliament and the Council (EC, 2006) gives a more broad definition of social competence. It also lays out what information should be learned, and what skills and attitudes should be developed.

Social and civic competencies, according to the Key Competence Framework, "include personal, interpersonal, and intercultural competence and cover all forms of behavior that equip individuals to participate in social and working life in an effective and constructive manner, particularly in increasingly diverse societies, and to resolve conflict when necessary." Civic competence is defined as "understanding of social and political concepts and systems, as well as a commitment to active and democratic engagement in civic life" (Commission, 2012).

Entrepreneurial competencies are most directly linked to social competencies. These are the two main parts of entrepreneurial competence: personal traits and perceptions, as well as formal skills that show how to open a business and make an idea work. Management skills, social skills, personal areas of expertise, and entrepreneurial characteristics are the most important things to work on in a person.

As per the responses, it can be said that the intention to resolve a severe social problem comes first. Without the exception of small grants and funding, an enterprise grows out of goodwill and ambition. There is no strict regulation at the national level. The entrepreneur has to decide to choose whether or not apply to be called a "social enterprise." To find an illustration, the company Lude was not set up to make money. It was set up to help the elderly and solitary who have no one else to care for them. It exclusively hires retirees who want and are capable of doing something once they retire. They are given the training to accomplish the work before they are hired. The company makes carpets, table mats, and other items with brilliantly colored designs using textile waste (secondary raw materials). There are also designers and weaving professionals involved. The business does not generate a significant profit. However, there are environmental benefits because textile cuts and other raw materials are not discarded as garbage, and senior folks can acquire new skills, socialize, and make extra money (CCSE, 2001). The state budget benefits as well from the taxes collected. This information shows that there are some issues faced by the social enterprises; however there are many ways which might create the transition of social entrepreneurs, as mentioned by the participants.

During the beginning phase, you can use the infrastructure of a business incubator and get money from private business owners and project subsidies. If you're disabled, for instance, the company HOPP provides customized three-wheel bicycles or tricycles to help you get around, boost your self-esteem, and make it easier for you to fit in with the rest of the world. The tricycles are given to families who don't have the money to buy them for their kids. When kids may not have enough room at home to keep a tricycle, the business keeps one for them. When a child no longer needs the tricycle, it is given to another family. The company doesn't make money, but it has the chance to grow with the help and money of private businesses and charitable groups (foundations, associations, donors, and local governments) (Bikse, 2011).

Self-preservation is one of the most important personal domains of interest, according to the respondents. The social entrepreneur business was launched with the help of the state and local governments. The comparison of Irlava Red Cross Hospital Day Clinic Ltd, which is a municipal government enterprise, is done with the findings for determination of the actual requirement for a successful social business. This company's status as a limited liability business owned by the municipal government is a well-established legal structure. Because it was threatened with closure twice – in 1997 and 2002 – the company was created in order to exist, secure job opportunities, and make a profit. People who are sick or who have been there a long time get social care from this group. It was built on buildings and other things that were already there. It is paid for by a mix of state, municipal, and private money. The company gets money from the local and state governments, as well as reduced loans and money from the EU. When it makes a profit, most of the money is used to grow the business (to pay for the costs of things like projects and to buy things like equipment and inventory) (Mair & Nobao, 2003). This social enterprise story shows us that a social enterprise with a low income is able to survive. However, more scopes and opportunities will solve the existing issues. In the below table, the potential gains for social entrepreneur transition, risks, and sustainability approaches are mentioned, which are provided by the respondents in this study.

Potential gains of transition	Risks	Sustainability
<p>The satisfaction that a major societal issue has been resolved.</p> <p>Sated that a major societal issue has been addressed.</p> <p>The private sector is profit-driven, and as a result, it is able to provide assistance and financial support to those in need.</p> <p>Personal – ensures employment, creates a profit, and the limited company is not in danger of going out of business. The stability and long-term viability of growth are guaranteed. Work-related obligations are secondary to solving severe societal issues. The ability to use profits to help fund future development. Ensures the long-term viability of workplaces and development.</p>	<p>Long-term solutions to social issues can be found in the form of long-term financial resources.</p> <p>At the state and local levels, there is recognition of the problem and an interest in finding a resolution.</p> <p>At least for the first three years of its existence.</p> <p>Establishment of a social enterprise through the acquisition of start-up funding.</p> <p>In the event of a reduction in private sector funding, ensuring a viable operation.</p> <p>As a result of a lack of financial support, social problems can no longer be addressed.</p> <p>If funding and procurement for municipal or state governments are reduced.</p> <p>Implementation of a law governing social businesses could lead to an alteration in legal status.</p>	<p>Even if everything goes according to plan and there are no problems, there is no guarantee of long-term success for the development. The formation of an educational and informational foundation for society.</p> <p>As a means of providing assistance during the start-up stage, incubators, etc., have been established. Assist and encourage co-operation on a variety of scales. Ensured the long-term viability of the project.</p> <p>State and municipal governments should work together to achieve common goals and responsibilities for the common good.</p> <p>Implementing long-term initiatives with more stability and security To make it easier for the state and local governments to solicit bids for their needs. Stability and long-term viability are guaranteed.</p>

**Table 1: Risks, sustainability, and potential gains of the social entrepreneurial transition**

First, because there is no law that governs the creation and expansion of interpersonal enterprises, more effective and long-term operation is guaranteed for those social enterprises whose main goal is to solve social problems on their own and with the help of private businesses or self interests in needed to shield jobs and earn a profit while running. It's also possible for social entrepreneurs to get into trouble because their main motivation is kindness and a willingness to solve lengthy social problems on their own without the assistance of the state or a local government.

Social entrepreneurs and social business owners, like any small company, need help from the commercial world to help them grow and get more people involved in solving social problems. As a result, the government needs to come up with a conceptual action plan and put in place

the right legislative framework at the national level to make sure that people know what social enterprises are, what they do, and how they work. For example, having a clear set of rules can help social enterprises get tax breaks (which are meant to reward them for doing good things for the community), get access to public procurement, and get help from the government for things like their organisational form, target group, and activity (OECD, 2013).

Second, the interviews with Latvian social entrepreneurs show that they are mostly young, energetic people who care more about solving big social problems than making money with the business model they choose. They know about social problems and have a plan to solve them, but they don't know how to start a business or have the skills to do so. In response to the question "What knowledge and skills do you want to learn?" the most popular answer was "entrepreneurship classes." The second most popular answer was "social work skills," and the third most popular answer was "improve my knowledge of other languages." In interviews, it was suggested that in the short term, two people could work together to start and run a business: one person would deal with the business's significant matters, while the other would handle all of the business-related tasks. This way, the Latvian education system would be better prepared to train social entrepreneurs (Zahra, et al., 2009). There is a lot of evidence that the role of the school system in training social enterprises is becoming more important. This allows them to learn about and practise entrepreneurship, as well as learn about and practise social skills. The OECD's (Organization for Economic Co-operation and Development) Policy Brief on Social Entrepreneurship has a lot of good information about these issues. It says that incorporating social entrepreneurship into entrepreneurship education in schools, vocational education and training colleges, and universities is a good way to help the social economy and businesses grow in Europe. If you want to help young people, you should give them the chance to work for a social business (Noya & Clarence , 2013). The results of the study indicate that Asia has been slow to start up social businesses. This is because there isn't a legal framework for social entrepreneurship, there isn't enough money from state and local governments, and there isn't enough training, practises, and scopes for social enterprises.

As per questionnaires and interviews with social entrepreneurs, the most developed personal traits of social entrepreneurs are really being entrepreneurial, being able to work in a team, being independent, and having a lot of passion. However, some important personal traits, such as the ability to set social goals, acceptance, and the chance to continuously in order to start a new activity, were rated below average. Entrepreneurial training and expertise were also rated below average. This means that it's very important to make sure that future social entrepreneurs have the chance to learn both social and enterprising skills in school.

## **6. Conclusion**

The study concludes the current state and transitions of the social entrepreneurs in the Asian region. Despite the fact that the growth of Asian social enterprises is not as increasing as the global social enterprises, it is obvious that the social entrepreneurship sector is being recognized as an essential contributor to the economy of any nation. The study concludes that the current state of the Asian social enterprises needs more attention from the government as well as needs more funds and infrastructure for the enhancement and growth. There are many things that social entrepreneurs have to deal with when they run their own businesses. Even so, the study also found that there are ways for social entrepreneurs to keep going even when things are bad. It talks about what social entrepreneurship is, what a "social enterprise" is, and how it changes over time in this paper.

### **6.1 Future scope**



Future research should explore the essential issue of social enterprise legitimacy, as well as the legislation that determines how social enterprises can be registered in Asia, as stated in the Asian Social Enterprise Blueprint.

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