

## APPLICATION OF RESEARCH METHODOLOGY IN SOCIAL ENTREPRENEURSHIP

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### **Abstract**

*Social Entrepreneurship is comparatively a new term that developed into the research discipline. Economic recession and inflationary pressure has led to a change in the way society look at enterprises. People and the politics want organizations to be more accountable to the society. This can be the reason for emergence of the term 'social entrepreneurship' and more and more organizations are focusing on the 'corporate social responsibility' of the firms.*

*The purpose of the paper is to understand various researches being undertaken in the field of Social Entrepreneurship; methodologies used in those papers and explore a reliable research approach for the field of Social Entrepreneurship. The methodology followed was to collect research papers in the relevant area, review them based on the methodology followed and its outcome. One of the major finding of the paper is that most of the research paper tries for theory development in the area of social entrepreneurship, as each of these enterprises are unique, it is difficult to develop a common definition and framework for all these firms, instead social entrepreneurship research should focus more on value addition of the firms and creating a bench mark system for social entrepreneurs. The limitation of the paper is that this research is not based on the impact factor or citations which are the modern ways of measuring the quality of a research paper.*

*These kinds of research can have multiple impacts on the theory research and practice of social entrepreneurship. The knowledge and understanding about Social Entrepreneurship Ventures (SEVs) can be enhanced. This research tries to create a new tradition and culture for social entrepreneurship research. Organisational theory study and organisational identity can be further expanded with this research. The future research can focus more on understanding the social entrepreneurship from an impact factor or a citation based perspective.*

**Keywords:** *Social Entrepreneurship, Research Methodology, Organizational Theory.*

### **Introduction**

History reveals that in any country, there was always a rift between socialists and capitalists. The world is still divided on the basis of capitalism and socialism. The greatest of the wars were fought between capitalistic and socialistic ideologies. The term 'social' comes from the word society which is synonymous to people. Socialism means resources are held by the state for the benefit of the society, on the other hand in capitalistic economies resources are privately held. The term 'social entrepreneurship' also arose from the same concept where capital and other resources are held for the common good of the society, and the ultimate aim of the enterprise is social good and not-for-profit.

Although the term 'Social Entrepreneurship' is relatively new, evidence shows that some great social entrepreneurs have always existed at least in the last two centuries. Selflessness coupled with business sense has paved way for new opportunities for those who have entrepreneurial skills and want to work for the betterment of the society. Extraordinary people like Muhammad Yunus (Nobel Peace prize winner in 2006) came up with brilliant ideas and succeeded at creating revolutionary products and services, dramatically improving human lives (Yousry 2007). As opposed to traditional non-profits, which are dependent on charitable donations and government subsidies, social enterprises are increasingly self-sufficient and sustainable. (Boschee & Mc Clurg 2003),

This research suggests an exploratory approach to collect the best practices of successful social entrepreneurial ventures. It tries to establish a reliable and easily accessible platform on which academicians and prospective social entrepreneurs can build on. It is intended that full life-cycle stages of entrepreneurship would be taken into consideration wherever possible. In addition, how social entrepreneurs are making the best use of technology will be investigated and documented. In addition, the best use of technology that social entrepreneurs employ would be under the purview of the research.

There are a number of definitions for Social Entrepreneurship at the moment giving broad and narrow meanings to it. However, the underlying truth is that making a social impact is as important for social entrepreneurs as creating personal and shareholder value, if not more (Austin, Stevenson and Wei Skillern 2006). Social Entrepreneurship is definitely more than the business or economic entrepreneurship.

### **Literature Review**

The fundamental questions that arise in any researcher's mind about entrepreneurship are: need for entrepreneurial research in present time, entrepreneurs can be created or born, the role government and environment plays in developing entrepreneurs, the factors that affect entrepreneurial development and entrepreneurial activity has any relation with economic development. Among the entire question stated, the last question is core and fundamental and is answered by this statement: "Entrepreneurial activity has a complex and multifold relationship with economic development". (Pfeifer and Sarlija, 2010).

The phenomenon of social entrepreneurship is not new but theory related to social entrepreneurship started evolving more towards the end of the 20<sup>th</sup> century. A paper which provides a base for social entrepreneurship research was written by J. Gregory Dees in 1998 and it is one of the most cited paper for entrepreneurship research. During that time many philanthropic and governmental institutions didn't perform up to the societal expectations and entrepreneurial approach became necessary to fill the gap. With that paper, Dees tries to define social entrepreneurs as change agents with a social mission to create value by pursuing opportunities with the process of innovation, adaptation and learning with a higher need for achievement which shows a higher accountability to the area which he/she serves and to the outcome of the activity.

Different researchers have mentioned developments that could potentially limit the development of social entrepreneurship as a field of research and practice. Dey and Steyaert (2010) have pointed to the problem of considering social entrepreneurship as field that can solve entire problems in the world -'utopian enunciation of social entrepreneurship' as a limitation of the field. They suggests that those who are forgetting the historic anchorage of social entrepreneurship creating the risk of conceiving social entrepreneurship as an object that cannot adopt any other disciplines instead of a socially constructed phenomenon for social good. Hjorth also noted a phenomenon of narrowing of social entrepreneurship, who suggests that entrepreneurship should not be limited only to business since it 'cannot be co-opted by management and survive as a creative force' (Hjorth, 2009). The research should not limit social entrepreneurship to problem solving in an efficient and entrepreneurial way and which restrict the field to the economic sphere, this might lose the wider scope of a more broad understanding of the 'social' in social entrepreneurship. Limiting social entrepreneurship study only to 'hero' social entrepreneurs may affect the expansion of the knowledge and the discipline. (Nicholls and Cho 2006, p. 99). So for better understanding the discipline the history of development of the term -social entrepreneurship and its need and existence is essential for further progress in research in the area.

Even latest of the research in the area of social entrepreneurship states that "there is little consensus among the academicians and practitioners alike as to what social entrepreneurship is and what is not". (Trivedi and Stokols, 2011) So entrepreneurship research is still in the process of defining stage of- what is a social entrepreneurship? In 2006, Muhammad Yunus and the Grameen Bank of Bangladesh were awarded the Nobel prize for their efforts in the area of microfinance and since then the term 'social entrepreneurship' has become popular. Many entrepreneurship research articles try to give clarity to social entrepreneurship but there is still a need to do more in this area.

"Future research could examine the evolution of thinking between the academy and practice by expanding our analysis of published social entrepreneurship work to include a broader set of publications." (Gras D. et al, 2011) Researchers have identified a broader aspect of need for separating social entrepreneurship study from management and economics philosophy for a better understanding of social entrepreneurship and Social Entrepreneurship Ventures. (SEV's)

### **Importance of Research**

Social Entrepreneurship appeals to most social-conscious people of this generation who would like to start their own ventures. Carrying out business by directly helping the needy is the dream of many talented professionals. However, due to lack of awareness, support and guidance, many enthusiasts are unable to step into this field and therefore fail to utilise their skills to support the down trodden. The suggested research will create a good foundation of best practices for all the stages of business life cycle right from business idea to entrepreneur's leave from the venture and possibly equip the prospective social entrepreneurs with a technology tool kit positively influencing their ventures. It will also contribute to the present 'body of knowledge' of social entrepreneurship opening the doors to further research opportunities in offering more practical solutions to budding social entrepreneurs.

### **A Critic on the Research**

It is basically the role of academicians to shift the current view that social entrepreneurship is an purely new and unexplored discipline that is basically different from money-making entrepreneurship. Constantly advocating a 'triple bottom line' method (i.e. focusing on bringing social value makes business sense as it enhances commercial value) may be one way forward (e.g. Hudnut and DeTienne 2010, Norman and MacDonald 2004). Additional likelihood, stimulated by the critical theory viewpoint, is to challenge the conventions underlying commercial entrepreneurship. The research propose that detaching the field of social entrepreneurship by aiming only on the type of entrepreneurs at one end of the value creation band (i.e. social value) may not be cooperative to move social entrepreneurship praxis forward. The research suggests that social entrepreneurship research and praxis would advantage more from in-depth case studies on value creation by commercial entrepreneurs. In its place of pointing at developing new social entrepreneurship theories (e.g. Santos 2009, Zahra et al. 2009) and conducting significant social entrepreneurship quantitative studies, current and future researchers should re-direct their hard work at exposing successful and unsuccessful value creation mixtures by 'traditional' entrepreneurs. "We think that a critical perspective can be beneficial to social entrepreneurship to overcome these tendencies, which could constrain the development of the field". (Mueller et al, 2011) That is the reason why the main objectives of the study is to relook into the history and need for development of the term 'social entrepreneurship', to identify any social and geographical reason for Social Entrepreneurship Ventures (SEVs) and to understand the social constructs that form the base for germination and growth of SEVs.

### **Research Gaps Identified**

The main and overall research question is to evaluate the social value created by social entrepreneurial firms. Social Entrepreneurship research is comparatively new and very limited empirical research is conducted in this area and so study should focus more for gaining general and broad understanding of the area. (Lichtenstein and Brush, 2001). Therefore the first part of the research will be explorative in nature aiming at gaining a good understanding of the process of value creation in social entrepreneurial firms.

The theories of 'social entrepreneurship' have only a history of one decade. So still a lot need to be studied about formation of the term – social entrepreneurship. J. Gregory Dees article which is considered as the starting point of research into social entrepreneurship was written in the year 1998. The article itself was written in a different context where most of the social and governmental institutions fail to reach the expectation levels of the community.

Most of the research which is done so far, limited their study to view social entrepreneurship from a management and economic philosophy. The social perspective of 'social entrepreneurship' has been left out. On the other hand some of the researchers have considered social entrepreneurship as an ideal creation which can solve all the problems in the world. This research proposes to examine how the personal and professional credibility of entrepreneurs affect the success of Social Entrepreneurship Ventures (SEV's). The geographical factors that affect the growth and sustainability of SEV's. Analyse how various personal and interpersonal skills affect the success of SEV's. Understand how SEV's foster innovation, inclusiveness and social value within and outside their

organisational boundaries. Develop tools to measure the creation of social value by SEV's. How does the social mission of social entrepreneurial firms look like. How does the business model of SEV look like. What levels of performance are reached within SEV.

The major gap in the research found is between social entrepreneurship and social well-being. The level of contribution by social enterprises to the society can be studied by measuring the effectiveness of institutes working in the area of entrepreneurial training. The resources used by these institutes like men, material contributes for the growth of the entrepreneurship in the region. The study will be concentrating on the effective and optimum use of those resources for entrepreneurial training.

### **Methodology**

In order to fulfill the above objectives, it is intended to make the use of secondary data only. Researcher aims at exploring possible ways of ICT interventions in social business and in their various stages of lifecycle. The empirical research in this study will be a two stage process: an explorative and a hypothesis testing stage. The first study aims at gaining in depth understanding of the process of social value creation in Social Enterprises. This research will carry out both qualitatively through the case study, in-depth interview, observation and ethnography and quantitatively through the conducting a survey which materialize the core social entrepreneurial concepts. The final stage will specifically focus on testing hypotheses on how the social mission of Social Enterprises translates into different levels of social and economic performance. Data for later studies will be provided by the same survey.

### **Explorative Quantitative Research Outcome**

The prime stage of this research study will be exploratory and makes use of the qualitative method for gaining insight in the process of social value creation in Social enterprises.

The main challenges while designing empirical studies in social entrepreneurship is that collecting sample representing the population of interest – Social Enterprises -- are not available. To address this gap International Institute for Social Entrepreneurship (IISE) has been selected for constructing a non-probability, quota sample. The institute has sanctioned to access their data in principle for research. From the past data to identify the social entrepreneurs in the region, and their value creation so far to the society. In particular, to study the effectiveness of IISE, the research is planning to analyze the personality of the candidates got selected, environment provided to them for growth and the educational inputs provided to candidates and the goals they had set for their enterprises.

The first stage of the research study (Study 1) will use an explorative qualitative design. Using qualitative methods are especially appropriate in new topic areas like social entrepreneurship. The research will collect data on the process of social value creation through open-ended interviews. Observation and in-depth interviews will be conducted to understand the pre-context of the study.

Interviews will be conducted with the top associates of above mentioned institutions. The primary questions will be regarding the reason and the context behind starting the organization and the year in which the organization was set-up. Later its growth and development stage will be looked from the social contribution perspective. Then the current organizational structure and functioning will be considered. The way in which training is imparted has to be considered in detail. The different types of trainings which an institution imparts and how it helps participants in setting up their business have to be analyzed from the social benefit perspective. How the institutions decide on the time and duration of the training provided and how it can be improved will also be considered. Later the promotion strategy of institutions to identify the participants for imparting training and the method of selection need to be carefully analysed.

Once the candidates have been carefully selected, the process of imparting training has to be planned. Based on the background and characteristics of the selected candidates training have to be provided. The process of selection of trainers is also an important factor which affects the efficiency of the institute. The content and methodology of

training will be considered in the next stage. The content of the training have to be examined based on the practical aspects which help a candidate to initiate his/her venture. Generally in Indian context, candidates have lack of information about how to set up a firm and which agencies to approach for getting the relevant license, initial seed funding is also a major area of concern for new entrepreneurs. The way in which the above areas addressed in the training curriculum have to considered for research. Another important factor that affects the efficiency of training institute is the methodology or pedagogies used by the trainers. The pedagogies have to be decided based on the background of the participants, their learning ability and the availability of resources in the institute. Then the recording and documenting the delivery of content have to be strictly adhered. The efficiency of the system for continuous monitoring and taking the feedback from the trainees and trainers are essential. There should be enough controls to check the deviation from the planned delivery and actual delivery. The reasons for the deviations have to be carefully considered. After that there should be proper evaluation systems to understand whether the planned learning outcome is achieved.

Later the research has to be extended to different organizations to find out the best practices among different institutions. At the institutional level, impact factor of different trainings have to be analyzed based on the employment generation and life skill development of the candidates. The sustainability of the organization from economic and environmental perspective has to be analyzed. Later the different recognitions and awards received by the institution and its authenticity also have to be measured. The overall research will focus on calculating an impact factor different entrepreneurial training institutes and to identify the best practices in the organisations.

Finally, a hypothesis testing research will be developed on the relation between social entrepreneurship and social value creation. Possible hypothesizes are: The term Social Entrepreneurship developed because of the need in the society for an entrepreneurial approach for the social problems. There is a proportionate mix of factors that can induce the growth of social enterprises.

### **Conclusions**

The benefits out of this research study will be situated on two different levels. First there is an expected contribution to scientific theory. Secondly, research results advance knowledge on SEVs and the creation of social value by firms. So this research hopes to advance actual social value creation and to benefit society.

This research study has combined different research tool for reviewing social entrepreneurship. Primarily, this will especially contribute to the social entrepreneurship literature. The social entrepreneurship literature is in need for an quantitative study that moves away from exploration to theory based hypothesis testing research in a context where the entrepreneurial character of social value creation is most prominent (Anderson and Dees, 2006). This research will offer a conceptualization of SEVs and an empirical study on the process of social value creation.

Second, this research will have value for strategic management science. The proposed theoretical model integrates the 'advantage-seeking' perspective from strategic management and the 'opportunity-seeking' perspective from entrepreneurship (Hitt et al., 2001) to investigate the process of social value creation in social entrepreneurial firms. The study propose to use a survey tool to quantify resource based view constructs in standardized items like social performance, social mission and business model. The major difficulty in checking constructs from the resource-based view of the enterprise is identifying and quantifying the most crucial resources of firms and to do so, it is beneficial to focus on similar enterprises.

Third, this research study will advance the knowledge on organisational identity and organizational theory by operationalizing this construct and applying the construct in a 'social entrepreneurship' context. In the field of organizational identity, several researchers have proposed identity-based models of organizational identification but unfortunately only a few are operationalized and tested (Foreman and Whetten, 2002). Furthermore, major empirical gaps remain despite the construct's 20-year history. This doctoral research would build further on the

knowledge around organizational identity. This research study will enhance the understanding of the social component of enterprises and it will be of interest to the government and researchers.

It is believed that the instrument which is developed for assessing the social and entrepreneurial/commercial component of SEV can also be applied to assess the nature of socially responsible firms. In general, the research will advance the knowledge about development of the term "social entrepreneurship", important constituents of efficient social enterprises and ways to replicate efficient social enterprises as per the needs of the region.

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