



Exploring the Evolving Significance of Social Entrepreneurship in Modern Leadership, Learning, and Human Resource Management

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Abstract

The goal of this study is to trace the origins and evolution of the term "social entrepreneurship" and to identify its present-day applications.

Plan/process/approach: The study begins by looking at the political and social factors that have caused businesses to take on the role that governments have long held: meeting the financial demands of civil society. It continues by looking at several social entrepreneurship models and the prominent people who have risen to the position of social entrepreneur under each of these models.

Results: The article challenges the goals of social entrepreneurs and cautions against blindly embracing the erasing of distinctions between different parts of society in its discussion section.

Important caveats and consequences of the research: This is a theoretical article. Research that follows will take a closer look at social entrepreneurship case cases.

Uniqueness/worth: Despite its prominence, social entrepreneurship is a relatively unexplored area of study. This research compiles and analyzes the varied and sparsely written works on social entrepreneurship that are currently available. Additionally, it provides a critical viewpoint that must be considered before the practice is embraced as a practical solution to societal problems.

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INTRODUCTION

Although "social entrepreneurship" has had more of an impact in practice than in academic study, it remains an essential path toward ethical and sustainable company. While there is some research from many fields, the amount of scholarly work on the issue is still in its early stages. This study examines the history, goals, potential, and consequences of social entrepreneurship by drawing on that literature in addition to popular discourse and current case studies. We begin by highlighting the wide range of social, political, and economic issues that are all somewhat connected to the word "social."

"Entrepreneurship," highlighting the term's wide popularity Social entrepreneurship's comeback: looking at it from a historical and sociopolitical angle.

The issues of who is able and who should address civil society's demands are fundamental to any discourse on social entrepreneurship. The survival and well-being of a civil society, which must be separate from the political and economic spheres, raises philosophically grounded concerns. The dominant, mostly economic, doctrines that have guided national government throughout modern history have dictated the range of answers to these concerns.

The governments of the majority of democratic western nations adhered to the Keynesian social democratic model from the years immediately after WWII until the early 1970s. This model ensured stable currency exchange rates to prevent inflation, nearly full employment, and a robust welfare system for individuals who required it. The state was responsible for providing social services including healthcare and schools. Hegemonic support of the model was guaranteed by the economic and social stability achieved at that period. In 1974, during a severe oil scarcity, that dominance was severely tested as the rationale for establishing exchange rates was eroded by increasing inflation.

Many nations that had kept their welfare state systems in place for more than 20 years began to adopt free market neoliberalism or laissez-faire economic policies in the early 1980s. Deregulated markets and privately held businesses define this model, which differs from its predecessor in that it involves the state less in the economic sector. Privatization and "corporatization" of formerly state-owned assets were necessary steps in the neoliberal transition. The transportation, energy, and communications sectors were often the recipients of such assets. Even the healthcare and education

systems, as well as the criminal justice and emergency relief systems, were subject to marketization and privatization to varied degrees. Individuals were encouraged to take responsibility for their own welfare, which led to a general trend toward lower income tax rates as the state's role was diminished. The advocates of a global economy pushed for nations all over the globe to loosen their grip on economic regulation. Several less industrialized nations experienced economic instability as a result of the exponential growth of financial trading after 1987, when policy deregulation expanded to include capital and securities markets. Investors aimed to profit from changes in national currency values. New forms of communication allowed for a boom in the financial trading industry (Castells, 2000).

Modern governments simply do not have the resources to continue funding social welfare programs at the levels seen during the Keynesian era. There is less money to disburse now that the governments have sold off assets that were crucial to their infrastructure and brought in money. While the United States, the United Kingdom, and Australia have seen a greater erosion of their welfare state promises, this is also true in several northern and western European nations. Income tax receipts were cut in other instances as well. Revenue would rise with a tax hike, but the move would surely face political backlash. Technological advancements in health care have raised life expectancy rates, which has led to an exorbitant demand that is making the situation worse. A wide variety of social movements, institutional frameworks, and individual endeavors that fall under the general heading of "social entrepreneurship" have emerged in response to these underlying issues. In what follows, we delve into the many definitions of this term.

Models of Social Entrepreneurship

We have already shown that there is no universally accepted definition of socially entrepreneurial endeavors. That the unifying symbol and its many practical consequences constitute a significant cluster of trends today makes some "mapping" of the breadth of real and potential initiatives and companies all the more relevant to us. The idea that certain businesses in the public, private, and third/independent sectors engage in social entrepreneurship is not only plausible, but also widely used. The term is often used to describe "a socially engaged private sector" or "more entrepreneurial approaches in the not-for-profit sector" (Canadian Centre for Social Entrepreneurship, 2001), but it can also describe initiatives that are partially or completely run by the government (Dees, 2001).

This section provides a concise overview of social entrepreneurship organizational models, touching on such topics as the underlying assumptions, practical ramifications, and essential elements of these models. In this article, we will look at how social entrepreneurship is used to seek cross-sector alliances, as well as how conventional or usual notions of "doing business" in any given industry are changing. Next, we'll take a look at socially entrepreneurial endeavors in the public, private, and not-for-profit sectors, with a side note on hybrid or bridge models.

Businesses with a Social Mission

According to recent scholarly and popular works, social entrepreneurs who choose to engage in the private sector have a leg up when it comes to the three most talked-about aims of theirs: planning, profit, and innovation. Chief executive officers and other top executives of privately owned businesses say they have the most leeway to act in accordance with their personal beliefs, as we cover in the section on social entrepreneurs.

There is a lot of knowledge in market research and feasibility studies that socially conscious businesses may tap into (Campbell, 1998). They are already thinking about how to make money. Additionally, they understand the need of constant innovation based on their familiar market. Methodically coming up with and vetting potential ideas is crucial for every new company, whether it's just starting out or is navigating uncharted social waters (Thalhuber, as stated in Campbell, 1998). Finding a happy medium between freely and democratically generating ideas and vetting them for quality and viability is essential. Being very open could lead to impracticality, while being overly regulated and linear might lead to a process that loses its promise.

So, in general, businesses that claim to be socially entrepreneurial have more leeway to follow the current fashions in business. Much of this independence is exercised by charismatic, value-driven leaders, as we shall see in the leadership debate that follows.

Innovation in the Public Sector for Social Good

An economic push that started in the 1960s and 1970s and has continued since then to apply business and market models to the public realm is a major source for public sector entrepreneurial theories and models. Water resources management may need a boost of entrepreneurial spirit, according to Ostrom (1964), who wrote one of the first articles on the topic. Most importantly, she differentiated between public and private sector entrepreneurship by noting the heavy hand of politics and bureaucracy on the side of the former.

Constitutional, administrative, and legislative concerns, together with plain old habit, make it harder for public entities to innovate and adapt to new situations. From this vantage point, it becomes clear that the private sector permits more leeway and innovation.

Since the inherent lack of alienation between public and private interests is a fundamental component of the so-called third way economic and social ideology, the symbols and practices of entrepreneurship are particularly well-suited to this policy framework, as we have already shown.

One common thread that emerges from conversations about social entrepreneurship across all fields is the need of being flexible. Successful socially entrepreneurial endeavors rely on "feedback loops," which may be either positive and self-reinforcing or negative and used to correct a plainly misguided organization (Baumgartner and Jones, 2002).

The Social Entrepreneurs: Value-driven and Charismatic Leadership

After looking at several definitions and examples of social entrepreneurship, we go on to identify the kinds of people who are taking up this term. According to accounts in scholarly journals, popular periodicals, and journals that span disciplines, these people may be broadly classified into three groups:

1. Newly emergent or experienced CEOs who style themselves and their organizations as both innovative and socially responsible.
2. Administrators of non-profits or social advocacy groups who import business and market-based models to improve their organization's performance and enhance its longevity.
3. At large philanthropists who see themselves as catalysts for both organizational and societal change.

Before getting to the topic of whether charismatic leadership is crucial in social entrepreneurship, we'll take a look at each kind individually.

Leadbeater (1997) framed the rise of social entrepreneurs in his book *The Rise of the Social Entrepreneur* as a response to the societal divide brought about by the reduction of welfare programs in developed nations. In addition, the author maintained that ambitious people, particularly those operating at the neighbourhood level, may be incentivized to establish new groups and improve the ones that already exist. At the most general level, Leadbeater thought that if socially entrepreneurial endeavors were given the chance to thrive, the three industries may pick up knowledge from each other.

In a study of social entrepreneurs across sectors, Dees (1998) identifies five characteristics of such individuals:

1. Employing a mission to create and sustain social value.
2. Recognizing and pursuing new opportunities to support that mission.
3. Engaging in continuous innovation.
4. Acting boldly without being limited to existing resources.
5. Exhibiting a heightened sense of accountability to stakeholders.

What sets this group of traits apart from "ordinary" entrepreneurs is their dedication to social causes and their disregard for financial gain in and of itself. The characteristics of a social entrepreneur are similar to those of a traditional commercial entrepreneur, according to Drucker (1990).

Enterprising Public and Non-Profit Workers with a Social Mission

The playing field for social entrepreneurs is unquestionably different in the public and non-profit sectors. Other, more significant, financial limitations may exist. Policies and activities may be subject to much stricter government control. Furthermore, precedence and the work of those who came before may have a significant impact on the organization's goal. Government agencies often participate in public-private partnerships and other collaborative endeavors that include innovative alliances of organizational interests in a project-oriented manner, and new organizations do emerge in the third or independent sector.

Focusing on the United Kingdom, Thompson et al. (2000) analyze social entrepreneurs' contributions to a society when the welfare state is overburdened.

The next step is to examine various community centers and partnerships that have been established to address problems including after-school programs, joblessness, and training. West Yorkshire's Castleford Community Learning Centre is one such example; it was founded by a coalition of community organizations that enlisted the help of public and private entities (see also Thompson, 2002). Despite displaying a range of organizational structures and financing mechanisms, each of these projects showcases an ambitious, motivated, and laser-focused individual or small group of people tackling an urgent societal need. The organization's goal is also specified in every instance.

Corporate Social Responsibility and Charitable Giving

Known and self-proclaimed philanthropists existed long before "sustainable" and "socially responsible" became buzzwords in the corporate world. Andrew Carnegie, John D. Rockefeller, and many other so-called

"robberbarons" of the late 19th and early 20th centuries left enormous fortunes to educational and social service organizations in their wills. The Bill & Melinda Gates Foundation has grown into the biggest non profit in the world. Using low-interest loans as a kind of charity, successful businesspeople like Finn and Burton (2004) are encouraging the launch of new socially responsible companies.

For prominent businesspeople reaching junctures in their careers, charitable activity continues to serve as an alternative to conventional corporate interests, or at the very least a "social stream" distinct from the main business stream. We shall address this concern in the paper's last part, but for now, let's focus on the marketing benefit of such initiatives.

Charm: The Eternal Conundrum

Not only are extraordinary personal traits useful, but necessary, to the success of social entrepreneurs, according to all commentators on the topic. These traits are often carried by an individual but may be shown by a group. The capacity of the social entrepreneur to accomplish her goals and to garner the support of others depends, according to Waddock and Post (1991), on her high level of personal credibility. Can socially responsible, sustainable initiatives thrive in the absence of charismatic leadership? This is an old question that these arguments bring back to light in the study of organizational leadership and authority.

Charismatic, conventional, and legal rational are the three ideal (or pure) kinds of authority that Weber (1978) outlined, each with its own organizational style. The new religious movement is a typical example of charismatic leadership, with its emphasis on the charisma of a single person (whether a prophet, a deity, or just an outstanding human being). A person's royal heritage and the justifications given for following established procedures both embody traditional authority. Bureaucracy, as a system of rules, norms, and procedures, has legal-rational authority. Despite its flaws, bureaucratic structure and authority are seen as cutting-edge, liberating people from the constraints of conventional leadership and the capriciousness of charismatic figures. But charismatic leadership is powerful, and most companies (across all industries) attempt to "conceal" the founder's charm for internal usage. Weber used the term "the routinization of charisma" to describe the contradiction that arises when an organization strives to emulate the charisma of its founders, regardless of whether that organization is value-driven or not.

Discussion

The fact that the majority of social entrepreneurship initiatives include a combination of public, private, and non-profit organizations is both a strength and a weakness of the idea, depending on our perspective. Hybrids like this may be seen in non-profits that have an entrepreneurial arm that helps fund the main organization's social goals. A new hybrid model is taking shape, with for-profit companies lending money and knowledge to nonprofits, while the private, for-profit sector becomes more prominent. Businesses are under growing public pressure to show some social responsibility, and this latter approach is becoming more and more associated with that. Expanding on this idea, Porter (2003) proposed what he terms "strategic philanthropy" as the best and most practical approach for businesses to engage in social responsibility. This entails directing their charitable contributions toward causes that are closely related to their business and in which they have a legitimate claim to expertise and ownership. He implies a monetary return on the charitable investment in a roundabout way with his choice of wording. Indeed, according to Porter, conventional charity is economically foolish as it yields no observable benefit. Reis and Clobesy (2001) provide a more nuanced analysis of modern forms of philanthropy; they affirm the value of strategic philanthropy and stress the power of entrepreneurial visionaries to unite disparate groups in innovative community projects.

Since sustainability is also subject to many interpretations, we propose that the concepts of social entrepreneurship and sustainability might be seen as being similar. Similar to social entrepreneurship, sustainability models may prioritize economic or social and environmental goals. The weak sustainability model is similar to the social entrepreneurship model in that it seeks monetary gain for the company owner, either directly or indirectly. By prioritizing social and environmental well-being above economic growth, strong sustainability promotes the principles of social entrepreneurship that are firmly grounded in civil society. Personal views and life experiences are the wellsprings from which interpretations emerge. Independent of the entrepreneurs' own interests, the quality of social consequences should be the deciding factor in evaluating social entrepreneurs and their activity.

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