CHARACTERISTICS DIFFERENTIATIONS OF ORGANIZATION: SOCIAL ENTERPRISES AND CORPORATE ENTERPRISES

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ABSTRACT
To date, most efforts to define social entrepreneurship have focused on adapting existing management theories on entrepreneurship and non-profits rather than distinguishing the organizational purposes and structure of social entrepreneurship from traditional for-profit organizations. There is little consensus among academicians and practitioners alike as to what social entrepreneurship is and what it is not. To articulate a clear and non-ambiguous definition of social entrepreneurship, it is necessary first to understand the distinguishing features of social entrepreneurial ventures compared with corporate entrepreneurial ventures and non-profit organizations. This article differentiates these ventures in terms of their motives, goals, antecedent conditions, processes, role of the entrepreneur and outcomes. In doing so, it provides a brief summary of the state of knowledge in the emerging field of social entrepreneurship and raises new questions and hypotheses for future research on this topic.

KEYWORDS: social entrepreneurship, corporate entrepreneurship.

Introduction
There has been growing dissatisfaction with both the market and the state as mechanisms for addressing contemporary social, economic and environmental problems. The state is accused of stifling initiatives, creating unresponsive bureaucracies and generally absorbing escalating shares of national income. The market, on the other hand, has been criticized for ignoring human needs and producing unwholesome instruments. The very nature of capitalism and repeated government failures to solve the most pressing social problems of our time has led to an increasingly frantic search for a new approach that does not rely solely on the market and/or the state to deal with socio-environmental problems (Salamon, 2001; Salamon, Sokolowski & List, 2003). Reasons for this search include a growing sense that the welfare system in Western European as well as in North American countries has become overloaded and the expectations of the system are not aligned with reality. Moreover, some scholars have argued that the inadequacy of the state welfare system has stifled initiatives, absolved people of personal responsibility and encouraged dependence on the government (Fraser & Gordon, 1994; Salamon et al., 2003). As well, globalization has vastly reduced the state's ability to be an agent of development, stimulating new ideas on the role of the government in modern economies.

Concepts such as 'assisted self-reliance' or 'participatory development' that stress the engagement of grassroots energies and enthusiasm through non-governmental organizations (NGOs) have been proposed as the 'third way' or 'middle way' to confront the socio-environmental problems of our time (Salamon, 2001).

Efforts to define 'social entrepreneurship' have focused primarily on the characteristics and traits of a social entrepreneur (Alter, 2004; Alvord, Brown & Letts, 2004; Dees, 2001; Martin & Osberg, 2007; Thompson, Alvly & Lees, 2000; Thompson, 2002). For example, social entrepreneurs are said to be visionary, leaders who possess a strong ethical orientation, a high degree of social focus, ambitiousness and the capacity for continuous adaptation, creativity, resourcefulness and resilience (Bornstein, 2007; Dees, 2001). However, many of these traits and skills are associated with corporate entrepreneurs as well (Gittman & McDaniel, 2008; Gordon, 2006). It is reasonable to ask, therefore, how social entrepreneurs differ from business entrepreneurs. More specifically, what values, motives and behavioral repertoires distinguish a social entrepreneur from a corporate entrepreneur? One might ask whether social entrepreneurs differ in the way these personal characteristics and traits are put to use. For example, social entrepreneurs use their entrepreneurial talent to create a positive social change, whereas corporate entrepreneurs use their entrepreneurial finesse to create personal wealth. Generating 'social value' is more important to a social entrepreneur whereas corporate entrepreneurs are more focused on the generation of 'economic value'.

A social entrepreneur seeks to invest his or her resources in problems that make more 'social sense'. On the other hand, a corporate entrepreneur seeks to invest in issues that make more 'economic sense' (Ashoka.org: Wei-Skillern, Austin, Leonard & Stevenson, 2007). In an effort to clearly distinguish social enterprises from other types of entrepreneurial ventures and lay the foundation for systematic empirical work in this area, this article: (i) summarizes what is known about social entrepreneurship and social entrepreneurship as well as corporate entrepreneurs and entrepreneurial and (ii) distinguishes between the two in terms of their defining features, antecedents, processes and outcomes. By doing so, it raises new questions and hypotheses for further investigation.

Social Enterprises and Social Entrepreneurship: State of Knowledge
In general, social enterprises are oriented towards reversing an imbalance in the social, structural and political system by producing and sustaining positive social change, a product of which could be a product of social change, impulses, social movements, cultural or professional interests, sentiments of solidarity and mutuality, altruism, and more recently, the government's need for assistance to carry out public functions.

They provide a private means to pursue public purposes outside the confines of the market and the state (Halpern, 1997). Service delivery is not the exclusive mission of social enterprises; rather they act as social change agents taking up the role of educators and advocates challenging society to respond to human problems mainly through transforming public policy (Ryan, 1999).

Indeed, it is such social movements that have led to the civil rights movement, the battle for equality for women and many other social causes that have changed the world (Salamon & Anheier, 1992). Because of their unique combination of private structure and public purpose, their generally smaller scale, connections to citizens, flexibility and capacity to tap private initiative in support of public purposes, SEVs have surfaced as strategically important potential partners in the effort to forge new solutions to existing social problems.

Since social enterprises are member-controlled and people-centered, and the benefits of the sector's activity are frequently non-monetary in nature, their primary socio-economic purpose is to contribute to the maintenance of economic and social cohesion within a particular community or society (Oatley, 1999). In other words, drawing on the work of scholars in this field, we define social enterprises as high-impact ventures that address long-standing socio-environmental problems, focus on long-term collaborative community capacity building, rely on collective wisdom and experience, foster the creation of knowledge and networks and facilitate sustained positive social change (Martin & Osberg, 2007; Wei-Skillern et al., 2007).

Defining Features, Antecedents, and Goals of Social Enterprises Compared with Corporate Enterprises
There is relatively little contention about the definition and goals of corporate/business entrepreneurship. A business organization is defined as a 'commercial enterprise, profession, or trade operated for the purpose of earning a profit (economic value creation) by providing a product or service' (Friedman, 2007). These businesses vary in legal form ranging from sole proprietorship, partnerships, to limited-liability companies. Corporations and businesses aim to generate economic value for personal and stakeholder wealth maximization (Friedman, 1970). They are created as a result of a perceived economic opportunity (Sahlman, 1996). The concept of a 'social enterprise' (SE), on the other hand, is inherently complex and little consensus has emerged in the literature thus far as to what it means, what its distinguishing features are, and how and why they come about (Trivedi, 2010b). To date, efforts to define SE have conceptualized it in terms of the characteristics of a social entrepreneur (Alter, 2004; Dees, 2001; Thompson, 2002), the processes of social entrepreneurship (Wei-Skillern et al., 2007) and the outcomes SE generates (i.e. from purely social to socio-economic) (compare Jeffs, 2006; Mair & Marti, 2006).
These definitional efforts can be distilled into four common themes: (i) an emphasis on societal goals as opposed to economic ones; (ii) the social activist role played by the social entrepreneur; (iii) elements of entrepreneurship and innovation (at least in most examples) and (iv) creating and using economic profit as a means to solve a social problem rather than as an end in itself.

Differences in Antecedent Conditions of Social Enterprises, Corporate Enterprises

A key difference between social and corporate entrepreneurship that has received relatively little attention in the literature is the factors influencing the origin of social entrepreneurial ventures. One of the defining factors that distinguish social entrepreneurship is the existence of a social problem. While economic opportunity is at the heart of a commercial enterprise, socio-environmental problems are at the core of a social enterprise. Corporate entrepreneurs look for an opportunity to create and satisfy new needs (and wants), whereas social entrepreneurs focus on serving basic and long-standing socio-environmental needs. The opportunity to be considered viable, commercial entrepreneurs require a growing market size or growing demand. For social entrepreneurs, on the other hand, recognized social needs, market failure and repeated unsuccessful attempts by the government to address socio-environmental problems are reasons enough to pursue the social goal (Austin, Stevenson & WeiSkllern, 2006). Market failure often results from the inability to pay for services by those who need them (Austin et al., 2006). The developments of SEVs are largely a result of traditional market failures and underdeveloped public approaches to address some of the most pressing socio-environmental problems (WeiSkllern et al., 2007). Hence, market failure, which is a problem for corporate enterprises, is an opportunity for social enterprises.

Characteristics of Social Entrepreneurs Compared to Corporate Entrepreneurs

Prior research has found many parallels between social and commercial entrepreneurs. When it comes to personality and behavioral traits (Drucker, 1989; Gittman & McDaniel, 2008; Gordon, 2006). There are some essential personal characteristics of these entrepreneurial problems (WeiSkllern et al., 2007). Hence, market failure, which is a problem for corporate enterprises, is an opportunity for social enterprises.

However, while intrinsic motivation among followers or collaborators is necessary for a social entrepreneur to maximize the benefits of the venture, extrinsic motivation may be sufficient for their counterparts. Efficiency and effectiveness seem to more essential for corporate entrepreneurs, while value-added collaboration is more important for social entrepreneurs. Decision-making power is also more limited in social enterprises. All of these personal and behavioral characteristics should be systematically and empirically assessed in future research on the distinctive features of social and corporate entrepreneurs.

Distinguishing Processes of Social Entrepreneurship as Compared with Corporate Entrepreneurship

Socio-environmental problems are inherently complex and social entrepreneurs are very adept at recognizing these complexities. Waddock and Post (1991) argue that social entrepreneurs have a unique ability to recognize the complex and interdependent nature of socio-environmental problems but they are also able to frame the problem in a new way that increases public awareness of the problem through their vision. They identify situational multiplexity, 12 crises (relevancy of the problem) and interdependence (requirement of multiple collaborators) as factors that lead to innovative vision. Whereas innovation, competition and profits are the driving forces for commercial entrepreneurs, social entrepreneurs foster innovation and inclusiveness, which enable them to bring about a positive change in the system and the society (Jeffs, 2006). Social entrepreneurs are usually supported by volunteers. Unlike corporate entrepreneurs, social entrepreneurs have a unique ability to frame the problem in a new way that increases public awareness of the problem through their vision. They identify situational multiplexity, 12 crises (relevancy of the problem) and interdependence (requirement of multiple collaborators) as factors that lead to innovative vision. Whereas innovation, competition and profits are the driving forces for commercial entrepreneurs, social entrepreneurs foster innovation and inclusiveness, which enable them to bring about a positive change in the system and the society (Jeffs, 2006). Social entrepreneurs are usually supported by volunteers.

Conclusion: This article had three goals: (i) to provide a brief summary of the state of the knowledge in the emerging field of social entrepreneurship; (ii) to distinguish between social enterprises and commercial enterprises in terms of their defining features, antecedents, processes and outcomes; and (iii) to raise new questions for future research on this topic. Social and corporate enterprises were compared on the following dimensions: (i) the purposes for their existence, (ii) the role of the entrepreneur during the lifecycle of the venture, (iii) the entrepreneur’s personality and leadership traits, and (iv) the essential outcomes of the venture.
not for a corporate venture. A broader and more fundamental issue raised in the article is the necessity of separating the scientific study and evaluation of social entrepreneurship from management and economic philosophy in order to develop a more nuanced and accurate conceptualization of social entrepreneurship and social entrepreneurial ventures.

REFERENCES