Archana Singh

The Process of Social Value Creation

A Multiple-Case Study on Social Entrepreneurship in India

Springer

Contributions to Economics

Archana Singh

The Process of Social Value Creation

A Multiple-Case Study on Social
Entrepreneurship in India

Springer

Archana Singh
Centre for Social Entrepreneurship, School
   of Management and Labour Studies
Tata Institute of Social Sciences
Mumbai
India

To my parents and my life-partner for being a constant source of strength, inspiration and encouragement and, to my loving children for keeping my dreams alive

Foreword

As the academic field of 'social entrepreneurship' is evolving, we are yet to get clear and comprehensive literature on this. The interdisciplinary nature is the reason for this struggle. Consideration to its importance is timely and needed because social entrepreneurship is emerging as a global phenomenon. The literature on 'development' has almost proved that development and economic growth are synonymous. Social progression and human values are equally critical, hence, the role of social entrepreneurs. The academic literature needs to explain the different approaches social entrepreneurs adopt while working for social change or creating social value, how social innovation works in such cases, whether these processes are really different or unique. We are yet to discover knowledge about the involvement of target groups and the corresponding financial models that social entrepreneurs design. Also important is to know the degree to which a robust financial model is needed in this field.

This book, in my opinion, has taken up this responsibility with due care and precision. The subject of 'process of social value creation' is under-researched and under-explained. The focus of present literature is on 'grand ideas' or 'personal sacrifices'. These, though need to be reported, are not enough to deal with the subject of (social) entrepreneurship as a process and the contexts of decision-making. Personally I feel happy that Archana Singh has made this important attempt to address the literature gaps.

While dealing with the concept of social value creation by social entrepreneurs, this book has efficiently dealt with the dimensions of the process of social value creation—opportunity identification and resource mobilisation—without ignoring the aspiration of the social entrepreneur. The other important subject of this book is the 'capability approach' to both social value creation and entrepreneurship. The intended change social entrepreneurs want to see must not be understated. The opportunities are visualised, imagined or understood by the entrepreneurs and their arguments may or may not fit the rational frames. Hence, in many cases their actions are not pre-planned—they just happen. This leads to an interesting question on 'idiosyncratic' (entrepreneurial) decision-making. The book has also reported

that the first trigger for social entrepreneurs could be social, economic or both. For mitigating the effects of resource limitations, their decision significantly depends on personal and professional networks. Contexts are important to arrive at a decision, which is also the core of social value creation.

I am fascinated by the theoretical setting of this book. While considering theories such as effectuation (Saras D. Sarasvathy), social cognitive theory—social learning and self-efficacy (Bandura), social embeddedness (Mair and Marti), structuration (Giddens) and social capital (Lin), the journey to explore the possible theoretical setting to explain social entrepreneurship is worth appreciating. The book also demonstrates efficient adoption of qualitative research methodology. One cannot understate the importance of a robust research methodology to move towards constructing a theory that works. The choice of samples from non-profit, not-for-profit, hybrid ventures and for-profit social ventures is the first step, and the multiple cases justify the intent to capture the variety and complexity.

I congratulate the author Archana Singh on publishing this book, which is also a proof of her hard work and dedication. I believe that in the book, the readers of literature of social entrepreneurship will find many avenues to move forward to build concepts, carry out research and adopt practices for creating sustained social value.

March 2015   Satyajit Majumdar
                                                                                Professor and Chairperson
                                                                     Centre for Social Entrepreneurship
                                                               School of Management and Labour Studies
                                                                        Tata Institute of Social Sciences
                                                                                        Mumbai, India

Preface

As compared to the well-established independent academic field of 'entrepreneurship', the field of 'social entrepreneurship' is still emerging. This book, focused on 'social entrepreneurship,' is based on actual field data, which I collected for my doctoral research. Based on the findings, eight propositions are developed, which are further integrated into one main proposition to present the theoretical framework of social entrepreneurship. The findings intensively focus on the process of creating social value by the leading social entrepreneurs of India. This is the biggest contribution of this book towards available literature in the field of social entrepreneurship, which is largely skewed towards presenting social entrepreneurs as heroes and ignoring the process of social value creation, especially the role of social entrepreneurs and the influence of contextual factors in this process.

This book followed the journey of several social entrepreneurs working across different sectors following diverse approaches, step by step. It throws light on the various entrepreneurial elements involved in the complete process of social value creation, starting with the intent, opportunity identification, idea development, resource mobilisation, experimentation, partnership and networking, decision-making in various circumstances, the capabilities of the social entrepreneur and the influence of contextual factors. I would like to share this body of knowledge with the academia to contribute to this emerging field and with other interested stakeholders.

The findings presented in this book have the potential to benefit existing practitioners, future social entrepreneurs and academia interested in the field of social entrepreneurship, which is still in search of a strong theoretical base and is struggling to gain recognition as an independent academic field. In addition, the findings of this research may provide guidance to design the best possible curricula for educating students of social entrepreneurship. It may also guide the educators of social work about the skills and abilities to be developed among social work students to make them competent and capable to deal with social challenges in a more effective, entrepreneurial and innovative way. This book is also prepared for

students of social entrepreneurship and social work who seek clarification and explanation on this subject.

The book is structured into ten chapters. Chapter 1 presents a general introduction to the subject of the book (historical background, definitions, research questions and the methodology adopted). Part I (Chaps. 2 and 3) is dedicated to exploring the meaning of social entrepreneurship in the existing literature, and based on it, developing the conceptual model of social entrepreneurship. Part II (Chap. 4) presents caselets. Chapter 4 provides a description of the background and context of the sampled cases, that is, information about social entrepreneurs and their social enterprises. Part III (Chaps. 5–9) concentrates on describing the process of social value creation, developing propositions and identifying the emerging theoretical framework of social entrepreneurship, based on the findings of the case studies. The cross-case comparison of the findings of the study are also analysed in the light of the existing literature. Chapter 5 clarifies the concept of 'social value creation' and 'social value' in the context of social entrepreneurship, from the perspectives of social entrepreneurs and the beneficiaries, respectively. Chapter 6 explores 'Opportunity Identification', Chap. 7 focuses on 'Resource Mobilisation' (Resourcefulness), Chap. 8 throws lights on 'Capabilities of Social Entrepreneurs', and Chap. 9 explores the interplay of all these dimensions in the process of creating values for the beneficiaries and identifies the emerging theoretical framework of social entrepreneurship. Part IV concludes the study. Chapter 10 titled 'Summary and Conclusion' addresses the objectives of this research, discusses theoretical and practical implications, provides future scope for the study and discusses limitations of the study.

There are a few suggestions for readers that may help them through the pages ahead in the book.

First, the chapters on 'Opportunity Recognition', 'Resource Mobilisation' ('Resourcefulness') and 'Capabilities of Social Entrepreneurs' are presented in no particular order, as different dimensions identified in the conceptual model of social entrepreneurship, not on the basis of their importance.

Second, the concept of 'social value' is used in two different contexts in the book: one, rooted in the book, in context of the beneficiaries, and the other, in context of the social entrepreneurs. To avoid confusion, I would like to clarify that 'social value' in the context of the beneficiaries refers to the value created by social entrepreneurs for them. On the other hand, 'social value' in the context of social entrepreneurs, has been used with reference to their belief–behaviour systems, social orientation and their inculcated values towards the society.

Third, at a few places, readers may find some repetition in the contents of Chaps. 5–9 (Part II). This is obvious because the process of social value creation includes the interplay of three dimensions—opportunity recognition, resource mobilisation (resourcefulness) and capabilities of social entrepreneurs.

Acknowledgements

In the journey of completing my research and writing this book, several people accompanied me, giving not only their unconditional support, but also sharing my good and bad experiences. I thank each of them for constantly instilling positive energy in me to complete my research with enthusiasm and passion, and encouraging me to write this book.

In particular, I would like to thank my family, especially my mother (late) Mrs. Dipika Sinha, father Sri Ram Anugrah Sinha, husband Rupesh and my loving children—Tanmay and Pranjal, who had deep faith, trust and confidence in my abilities. Saket Sinha, my cousin, also deserves a mention in this regard. They always inspired and encouraged me to do my best. During these long years, they provided their love, care and support.

I could not think of completing my research without the supervision of my guides—Prof. Satyajit Majumdar, Prof. Samapti Guha and Dr. Gordhan Saini. I am equally thankful to all my reviewers including Prof. Madhukar Shukla (XLRI, Jamshedpur) and Prof. L.S. Ganesh (IIT Madras, Chennai) whose valuable comments helped me to refine this book.

Obviously, the most important contributors to this multiple case study research are all those social entrepreneurs, employees and beneficiaries, whom I interviewed. I am truly grateful to all those social enterprises, which showed their willingness and consented to be a part of this study. Without the cooperation of social entrepreneurs and their social enterprises, this study could not have been conducted. I am really indebted to all the founders (Ashoka Fellows), Dr. Armida Fernandez (founder of 'SNEHA', Mumbai, Maharashtra), Ms. Shaheen Mistri (founder of 'Akanksha', Mumbai, Maharashtra), Mr. Rajendra Joshi (founder of 'SAATH', Ahmedabad, Gujarat), Dr. Devi Shetty (founder of 'Narayana Hrudayalaya', Bengaluru, Karnataka), Ms. Geeta Ramanujam (founder of 'Kathalaya', Bengaluru, Karnataka), Mr. Irfan Alam (founder of 'Sammaan Foundation', Patna, Bihar), Dr. Ashwin Naik (founder of 'Vaatsalya HealthCare Solutions Pvt. Ltd.,' Bengaluru, Karnataka), Dr. Brij Kothari (founder of 'BookBox Pvt. Ltd.', Pondicherry) and Mr. Kaushlendra Kumar (founder of 'KNIDS GREEN Pvt. Ltd.', Patna, Bihar), who despite having

Contents

About the Author

Archana Singh is an Assistant Professor at the Centre for Social Entrepreneurship, School of Management and Labour Studies, Tata Institute of Social Sciences (TISS), Mumbai, India where she is presently working in the field of social entrepreneurship. Prior to this academic positions, she has worked with different non-governmental organisations (NGOs) in rural as well as in urban areas on diverse issues such as women's self help groups (SHGs), women empowerment, reproductive and child health, and also HIV/AIDs awareness among sex workers. She obtained her Ph.D. and M.Phil. from TISS, Mumbai, and has published in international journals (*International Journal of Social Entrepreneurship and Innovation, International Journal of Sociology and Social Policy*, and *Social Marketing Quarterly*) in areas of social entrepreneurship, technology and innovation, and social change. She has also contributed in the edited book 'Technology and Innovation for Social Change' (Springer, 2014). Her research interests include social entrepreneurship, women empowerment, social value, social change, social work, and corporate social responsibility.

Abbreviations

AC	Air Conditioned
BBC	British Broadcasting Corporation
BoP	Bottom of the Pyramid
BSW	Bachelor of Social Work
CBE	Community-Based Enterprise
CEO	Chief Executive Officer
CSE	Corporate Social Entrepreneurship
CSR	Corporate Social Responsibility
ECC	Essentially Contested Concept
EDI	Entrepreneurship Development of India
EO	Entrepreneurial Orientation
EV	Entrepreneurial Venture
EVC	Economic Value Creation
EVS	Environmental Studies
FYSE	Foundation for Youth Social Entrepreneurship
GDP	Gross Domestic Product
GM	General Manager
HDI	Human Development Index
HR	Human Resource
HRD	Human Resource Development
ICICI	Industrial Credit and Investment Corporation of India
IIM	Indian Institute of Management
IIM-A	Indian Institute of Management, Ahmedabad
IIT	Indian Institute of Technology
IRMA	Institute of Rural Management Anand
ITU	ITU management concept
KF	Kaushalya Foundation
MA	Masters in Arts
MBA	Master of Management Administration
MBA	Masters in Business Administration
MDP	Management Development Programme
MSW	Master of Social Work

NGO	Non-Governmental Organisation
NH	Narayana Hrudayalaya
NPO	Non-Profit Organisation
NVI	National Vegetable Initiative
OBC	Other Backward Class
OECD	Organisation of Economic Cooperation and Development
OPD	Outpatient Department
PCDO	People, Context, Deal, Opportunities
PHC	Public Health Centre
PhD	Doctor of Philosophy
PPP	Public–Private Partnership
R&D	Research and Development
RBV	Resource-Based View
RCH	Reproductive and Child Health
REDF	Robert Enterprise Development Fund
RMoL	Rajasthan Mission on Livelihood
RTI	Rabindranath Tagore Institute
SAICE	Sri Aurobindo International Centre of Education
SC	Scheduled Caste
SD	Sustainable Development
SE	Social Entrepreneurship
SEV	Social Entrepreneurial Venture
SLS	Same Language Subtitling
SMAL	Small, Marginal and Landless
SNC	Shankar Narayana Constructions
SNEHA	Society for Nutrition, Education and Health Action
SROI	Social Return On Investment
ST	Scheduled Tribes
SVC	Social Value Creation
TISS	Tata Institute of Social Sciences
UK	United Kingdom
UN	United Nations
URC	Urban Resource Centres
USA	United States of America
USIBC	US-India Business Council Leadership Award
UTI	Unit Trust of India
WEF	World Economic Forum
WHO	World Health Organization
XIMB	Xavier Institute of Management Bhubaneswar
XLRI	Xavier Labour Relations Institute

List of Figures

List of Tables

Chapter 1
Introduction

Abstract This chapter details the emergence and development of social entrepreneurship. It discusses its relevance in providing sustainable solutions to emerging social problems and creating a social impact. It also explores the current status of socio-economic development of India and discusses the major social problems and the role of different actors involved in addressing these problems. It then moves on to discussing the importance of social entrepreneurship in the context of India, provides the rationale and builds the context for conducting the study. Lastly, it briefly discusses the research design that guided my study.

While preparing for my doctoral research, I had read many books and articles on social entrepreneurs. These had left more questions than answers in my mind. The questions are as follows: Are social entrepreneurs really extraordinary individuals, who have grand ideas and can do the impossible? Are they born leaders or, they are normal individuals like us? Why are they able to do successfully what we find difficult or even impossible to do? What are the reasons? What influenced them? What motivated them? And most importantly, how they are doing it? What is the process of creating social value and solving social problems? What are the challenges in this process? What really makes them keep on going? Finding no satisfactory answers to these questions, I decided to explore this field—social entrepreneurship—further.

I started with searching existing literature on the subject and then met some leading social entrepreneurs of India, interviewed their employees and those who benefitted from their work. All this helped me gain a fair understanding on the subject of social entrepreneurship and find answers to the questions above, which formed part of my doctoral thesis.

Having completed my thesis, I felt that the findings of this research were too important to be limited to academia. To be relevant in the context of a developing country like India, it could create a larger impact in the form of a book which is more accessible to students, existing practitioners, potential social entrepreneurs and also to all those people around the world, who are curious to know about entrepreneurial approach adopted by social entrepreneurs in order to provide sustainable solution to world's complex social problems.

1.1 Emergence and Development of Social Entrepreneurship

Social entrepreneurship is emerging as a significant domain of academic enquiry (Christie and Honig 2006; Austin et al. 2006; Domenico et al. 2010; Smith and Stevens 2010). On the one hand, entrepreneurship aimed at economic development has received a great deal of scholarly attention, while on the other hand, social entrepreneurship as a process to foster social progress has only recently attracted the attention and interest of researchers (Mair and Marti 2006). It would be fair to say that social entrepreneurship research has gained significance only since the late 1980s (Short et al. 2009). Though, it has been gaining momentum as an academic subject, as a field of intellectual inquiry, it is still in its infancy stage (Dees and Anderson 2003; Light 2005).

During the 1980s, Ashoka[1] pioneered the term 'social entrepreneurship', and until the mid to late 1990s, several other organisations adopted a similar terminology (Grenier 2006). Social entrepreneurship is considered as a response to market failure and state failure, or both, in meeting social needs (Nicholls 2006; Yujuico 2008). The potential of social entrepreneurs to influence social behaviour in order to bring about desired social change on a global scale has been recognised by many scholars (Leadbeater 1997; Mort et al. 2003; Bornstein 2005; Nicholls 2006; Martin and Osberg 2007; Dees 2007). Social entrepreneurs are recognised as change agents in the social sector (Dees 1998; Dees et al. 2001, Nicholls 2006; Elkington and Hartigan 2008), because they aim at systematic solutions to problems in the society, bring about social change and create social value (Nicholls 2006). Perhaps the role played by social entrepreneurs in addressing social problems globally is the reason behind its popularity.

The concept of 'social entrepreneurship' has emerged as a global phenomenon in order to bridge the increasing gap of the demand for social and environmental needs and the corresponding supply of resources. According to the *World Population Prospects: The 2012 Revision* report (UN 2013), the population of our world stands at 7.2 billion. With population growth, the demand for social needs is also continuously increasing, because people across the world are encountering similar problems such as inadequate education and healthcare systems, environmental threats, poverty and high crime rates. Approximately 1.2 billion people in the world live in extreme poverty, i.e. on less than one dollar a day, which causes ill health by forcing people to live in environments that make them sick, without access to decent shelter, clean water or adequate sanitation (WHO 2013). The data for children under the age of five showed that an estimated 165 million children, or 26 %, were stunted, 101 million children, or 16 %, were underweight, 52 million children, or 8 %, were wasted and 43 million children, or 7 %, were overweight in

---

[1]'Ashoka Innovators for the Public' is a global association of the world's leading social entrepreneurs—men and women, with system-changing solutions that address the world's most urgent social challenges.

2011 (UNICEF et al. 2012a, b). Nineteen thousand children under five were dying every day in 2011. Most importantly, about half of under-five deaths occur in only five countries—India, Nigeria, Democratic Republic of the Congo, Pakistan and China. India (24 %) and Nigeria (11 %) together account for more than a third of all under-five deaths (UNICEF et al. 2012a, b). In 2011, an estimated 1.7 million people died from AIDS-related causes (WHO 2013). In such a crisis situation, governments and NGOs are struggling to provide timely and effective solutions. Fowler (2000) mentioned that poverty, inequity, insecurity and injustice were stubborn features of the old-world order and also are abiding features of the new.

On the other hand, with a shift from the welfare approach to the democratic approach in most countries (both developed and developing), governments have been stressing on citizen self-sufficiency, which gives primary importance to market-driven models of welfare (Martin 2002). There has also been a considerable shift in the approach to development of people and communities with a greater emphasis on 'participation' and 'self-help'. In addition, the giving by individuals and corporations has reduced, and as a result, competition for grants and contributions has increased in charitable organisations (Boschee 2006). As a result, the 'supply side' of resources available for public goods has remained static or diminished in most countries (Nicholls 2006). NGOs are facing financial problems due to constantly reducing supply of donations, grants and government subsidies.

In this context of social and environmental demand and supply developments worldwide, several social entrepreneurs emerged globally with their new models of social value creation and provided sustainable solutions to these problems and created significant impact. It has been recognised that social entrepreneurs and their new models of social value creation are not only highly effective, but also efficient in solving social problems and delivering social impact. In the recent years, social entrepreneurship has been rapidly growing in all the sectors—private, public and non-profit sectors (Johnson 2000). However, its two constituent elements—first, primary strategic focus on social impact, and second, an innovative approach to achieve its mission—reflect the combination of social mission and entrepreneurial creativity, and this combination makes social entrepreneurship distinct from other public, private or civil sector activity (Nicholls 2006).

Due to its potential in solving social and environmental problems in a sustainable manner, the field of social entrepreneurship is growing constantly. A number of support organisations for social entrepreneurs have been founded (e.g. Ashoka, Skoll Foundation and Schwab Foundation), new courses on social entrepreneurship have been started in reputed universities globally such as TISS, Oxford and Harvard, and articles on social entrepreneurship have been published in scholarly journals such as *Entrepreneurship: Theory and Practice*, *Strategic Entrepreneurship Journal*, *Journal of Business Venturing*, *Journal of World Business* and many more. In addition, an exclusive journal on social entrepreneurship *Journal of Social Entrepreneurship* was started in 2010. Christie and Honig (2006) mentioned that social entrepreneurship is expected to grow further, because non-profit organisations, entrepreneurial firms, governments and public agencies are recognising its significant contribution towards the development of world-class competitive

services. Topper (2008) talked about the importance of social entrepreneurs in improving literacy in a developing world. Apart from the developing countries, social entrepreneurship has been studied in the developed world too. In fact, a large number of studies have actually centred on community development in the USA, Canada and the UK (Mair and Marti 2006).

Even though innovative approaches of social entrepreneurs towards solving social problems are needed in all the countries, they are particularly important in poorer, underdeveloped and developing countries such as Bangladesh, Nigeria and India, because the socio-economic scenario is more challenging in these countries.

1.2   Social Problems in India: An Overview

India is the world's second most populous country with a population of more than 1.2 billion (Census of India 2011). Although China still tops the list as the most populous country in the world, India is likely to overtake China as the world's most populous country from 2028 (UN 2011). India has the fourth largest economy in terms of size (Business Portal of India 2013) and the second fastest growing economy in the world (Aggarwal 2012). However, despite the impressive economic growth, India ranks 134 among 187 countries in the world on the Human Development Index (HDI) as per HDI Report 2011 (UNDP 2011). HDI measures social and economic development of nations in terms of health, education and living standard indicators. It shows that India is still in the medium human development category.

Due to the higher growth rate of population, constantly growing social and environmental needs and limited resources, India is facing a variety of developmental issues and problems such as poverty, health care, education, unemployment, water and sanitation, environmental issues and livelihood. The country suffers from widespread poverty, which is not distributed uniformly (Gore 2003). It has growing inequalities—interregional, intra-regional and inter-personal—in wealth and income (Barowalia 2010), because the growth pattern of the Indian economy is based on the exclusion of vast masses of people from the growth process who are also forced to bear the cost of this growth (Aggarwal 2012). Simultaneously, income poverty is only one aspect of the deprivation, because 'sustainable livelihood' is the main objective for most poor people. 'Sustainable livelihood refers to a living which is adequate for the satisfaction of basic needs, and secure against anticipated shocks and stresses' (Chamber 1995, p. 175). Agriculture continues to be the prime source of livelihood for a majority of the people in the Indian subcontinent even though there has been marked transformation in the economy in the form of development of industries and service sectors during the years of planning in the post-Independence era (Meher 2007). Datta and Sharma observed shrinking livelihood opportunities in rural areas, the social security safety nets that could protect the living standards of the rural population (as cited in Banerjee 2011). Further, there has been a large scale of migration in recent years, because of forced shift of occupations due to the distress in

the rural economy. Banerjee (2011) suggests that policy-making needs to pay greater attention to urban employment opportunities and work and living conditions, for a more comprehensive livelihood strategy.

Poor people suffer a disproportionate share of the world's health problems. Almost 30 % of global neonatal deaths occurred in India (UNICEF et al. 2012a, b). India contributes to about 5.6 million child deaths every year, which is more than half the world's total, and India also ranks second in the world in maternal mortality in (Gautam 2010). As far as public health service is concerned, a decline in the public expenditure on health care can be seen clearly in India (D'Cruz and Bharat 2001; Acharya and Ranson 2005a, b; Jain 2010). Government's spending on health has been persistently low over the years at around 1 % of the GDP (gross domestic product) (MoHFW 2009). There is a scarcity of public health centres (PHCs), doctors, nurses and the medical staff. Some also argue that people see public healthcare services as inadequate, not of good quality and, therefore, not satisfactory (D'Cruz and Bharat 2001; Acharya and Ranson 2005a, b; Kundu 2010). These reasons make people prefer private healthcare services, but this is not accessible for the people living in remote areas like the rural or tribal population. In addition, these services are expensive and therefore not affordable for the poor. (D'Cruz and Bharat 2001; Acharya and Ranson 2005a, b; Varman and Kappiarath 2008). Thomas and Vel (2011) also mentioned that health care in India is not sufficiently funded; that neither the government nor the common citizen has the financial ability to pay for quality medical care; and that medical costs are unaffordable for a majority of India's population. Only about 10 % of the Indian population are covered by health insurance that for the employees in the organised sector in the Planning Commission 2008 as cited in (Ladusingh and Pandey 2013). Also, in India, girls and women experience restricted access to health care as compared to boys and men, due to various economic, social and political factors that inhibit women from utilising healthcare facilities. This is particularly true for women and girls living in rural India. Therefore, rural Indian women are one of the most vulnerable groups in terms of seeking and receiving health care (Kundu 2010).

In addition, school education is simply unavailable to a vast number of children in India (Dubey 2010). There has been a serious neglect in the public provisioning for educational needs. The schooling system in India is nowhere near ready to provide a decent quality of education to all its children (Jha 2007). The total expenditure on social services by General Government (Central and State combined) has increased from 20.3 % in 1990–1991 to only 24 % in 2011–2012. Within the expenditure on social services, health and education have been neglected as their share on expenditure has not increased with reference to increasing population and existing backwardness (Venkatanarayanan 2015). The share of education expenditure has increased only from 10.4 % in 1990–1991 to 11.4 % in 2011–1012 (ibid.). The reduced public expenditure is reflected in the school infrastructure and other facilities provided in government schools (ibid.). Inadequate spending as well as the malfunctioning of schools and other educational institutions has been constraining India's progress (ibid.). Though, India has made huge progress in the area of education in terms of increasing literacy rate from 65 %

in 2001 to 74 % in 2011 (Census of India 2011), providing education to the remaining 26 % of its illiterate population will continue to be a challenge.

Describing the status of water and sanitation conditions in India, Gautam (2010) mentions that only one of three Indians has access to improved sanitation facilities such as a toilet. Open defecation is widespread not only in rural areas, but also in urban areas of India. The lack of toilet facilities in many areas presents a major health risk. The WHO in 2002 estimated that around 700,000 Indians die each year from diarrhoea and 900,000 die each year from drinking contaminated water and breathing polluted air. Despite constant efforts made by the government, NGOs and communities, water supply and sanitation amenities continue to be a challenge. India contributes to more than 20 % of the child deaths in the world (Unicef 2011). An environmental problem is another major issue, because India supports 17.5 % of the world population and 20.5 % of its livestock on merely 2.4 % of the world's surface as its geographical area (Census of India 2011). The pressure on land has led to soil erosion, waterlogging, salinity, nutrient depletion and lowering of the groundwater table and soil pollution—largely consequences of thoughtless human intervention. Deforestation with shifting agriculture, overexploitation for fuel wood and timber collection, and mining activities also cause serious concern to the environment. Perhaps the most widely recognised environmental problem is the pollution of water resources by industrial discharge, household waste, sewage and agricultural chemicals (Barowalia 2010). Rathakrishnan (2003) states that most of the environmental problems arise due to wrong use of science and technology for the advancement of human beings. He also suggests that there is a need to treat all environment-related problems as social problems and participate in solving these problems on a war footing.

To conclude, it can be said that almost 370 million people face some form of deprivation in India, and thus, poverty needs to be addressed through human development, which encompasses education, health, drinking water, housing and infrastructure development (Barowalia 2010).

1.3   Development: The Indian Scenario

For inclusive growth in any country, growth in the social sector is equally important (Ianchovichina and Lundstrom 2009), because 'development' generally includes economic growth, social progress and human individual improvement (Lundstrom and Zhou 2011). That exclusive focus on economic goals alone cannot achieve developmental goals, because the fast growth rate of the population would nullify the benefits of any growth in the economy brings in another important dimension. Economic development efforts will not go far without bringing positive action in the fields of education and health (Gore 2003). Therefore, the development process needs to continuously strive for broad-based improvement in the standard of living and quality of life of the people, through an inclusive development strategy that focuses on both income and non-income dimensions. The community as a whole

and its social life aspects needs to be attended to. Inclusive development can be seen in terms of progress in both social inclusion and financial inclusion (Economic Survey 2010–2011). Wang (2012) also observes that human resource development in developing countries has scope and application beyond economic interest and that it often involves addressing social issues such as poverty, illiteracy, health care and unemployment.

In India, the government (state), private and voluntary sector together contribute to the development. Since Independence, India has been a welfare state. Therefore, the ultimate objective of all developmental planning has been the maximisation of social welfare and well-being of its people or human development (Barowalia 2010). The government in India has mechanisms that foster development equitably across its states, in particular through health and education expenditures aimed at improving human capital development (Kalirajan et al. 2009). It has put considerable efforts and initiated several programmes for all-round socio-economic development of its citizens though the Five-Year Plans. The growing importance of social protection is reflected in the Government of India's Common Minimum Program and the Eleventh Five-Year Plan of Planning Commission[2] (World Bank 2011).

However, due to heavy budgetary deficits and shortage of its managerial resources, the government encouraged private sector to contribute in the growth of the country (Oza 1988). In the twenty-first century, public–private partnership (PPP) has been emphasised for all-round development (Commission on the Private Sector and Development 2004; Barowalia 2010), but it has been criticised by several scholars (Narayan 2010; Aggarwal 2012; Koonan and Sampat 2012; Nandraj 2012). They have shown that it has negatively affected the development and growth of India several times. Mukhopadhyay (2011) also states that PPP in India contributes towards the process of uneven development.

Apart from the government and private sector, the voluntary sector has also been involved in the socio-economic development of India. The main intention of the voluntary organisations is the social and economic development of the people (Jha 2012). They mainly work for the poor, underprivileged and marginalised groups in the country. Civil society is a part of voluntary sector, which comprises a plethora of groups ranging from charities to advocacy groups. NGOs are an important component of civil society. Different from the state and market, it is also known as the 'third sector'. NGOs are seen as vehicles of democratisation as well as providers of goods and services in developing countries where governments lack the capacity or resources to reach the poor or where markets are inaccessible to them (Ghosh 2009). Sometimes, when markets fail to provide certain goods or services and the government fails to resolve such failures, the non-profits function as a vehicle to provide these services to the citizens (Sud et al. 2008). Thus, compensating for the failures of the state as well as market-led growth has contributed to the great wave of

---

[2]It is important to mention that Prime Minister of India, Mr. Narendra Modi, has established 'NITI Aayog' (National Institution for Transforming India) in 2015 as replacement for Planning Commission. 'Aayog' is the Hindi word for 'Commission'.

'NGOization' in India since the 1980s. The Government of India first began welcoming NGO participation in the Seventh Five-Year Plan and, later more openly, in the Eighth Five-Year Plan (1992–1997) (Ghosh 2009). NGOs have engaged in poverty alleviation, reduction of illiteracy, healthcare awareness and delivery, income and employment generation, restoration and conservation of environment, protection of human rights, tribal development, rural development and several other issues of social reconstruction in contemporary India (Dharmarajan 2001). At the same time, it is also argued that NGOs are neither an alternative to the state and the public sector, nor a means to correct market failures, because barring a few exceptions, NGOs have failed at making a substantial impact on the lives of the people they were expected to benefit. Further, NGOization could hardly prevent growing disparities in income and opportunities for a vast section of the population in the post-globalisation period in India, and it is suggested that in spite of the relevance of this sector, there is a need to look for other viable alternatives (Ghosh 2009).

The above discussion leads to the conclusion that despite constant efforts made by government, market (private players) and NGOs, the growing social needs and problems in India have not been addressed effectively and in a sustainable manner. Despite over six decades of planned economic development, a large part of the population, particularly segments such as landless agricultural labourers, marginal farmers, scheduled castes (SCs), scheduled tribes (STs), and other backwards classes (OBCs), suffer social and financial exclusion (Economic Survey 2010–2011). Therefore, there is a need to provide a better alternative to the existing impasse for holistic and sustainable development in India. Capital—financial, social and human —is not enough for poverty reduction in developing countries, and innovation is necessary (Bradley et al. 2012). Wang (2012) also mentions that the continuing population growth in the developing world, coupled with limited or unavailable resources and infrastructure, has created additional challenges of providing lifelong opportunities for the economically disadvantaged groups, and therefore suggests that human resource development practitioners in the developing world must become more innovative change agents, which will empower them in their efforts to promote social and national progress.

1.4   Emergence of Social Entrepreneurs and Sustainable Solutions to Social Problems

In this scenario where the state, market and the third sector have failed to effectively address the social issues, a number of social entrepreneurs have emerged in India like in many other countries. These entrepreneurs have used innovative approaches to provide sustainable solutions to social problems, thereby creating value for the beneficiaries. They combine their social mission and entrepreneurial skills. Their ventures are called 'social entrepreneurial ventures' (SEVs). If social entrepreneurs create their organisations to solve social problems, their organisations are known as

'social enterprises'. In India, today, social entrepreneurs bring hope with regard to providing effective and sustainable solutions to existing as well as emerging social problems. Therefore, it is important to understand how they create value. This could help other individuals interested in solving social problems in a sustainable manner to understand the process, learn from the challenges they faced and the strategies they used to deal with those challenges. This learning could help them to come up with their own ideas of innovation and also guide them in the process of social value creation.

Stimulated by this thought, I started searching for literature on the subject, but soon realised that the existing books on 'social entrepreneurship' largely focus on 'grand ideas' to solve social problems, rather than the process of solving social problems and the role of the individual social entrepreneur. Social entrepreneurs are presented as 'heroes'. The information on the process of solving social problems and creating value is lacking, and specially, the focus of entrepreneurial approach in this process is completely missing.

To bridge this gap, I decided to conduct a study. I was curious and also excited. I wanted to explore and understand the whole process of social value creation by social entrepreneurs in India: how do social entrepreneurs recognise/identify opportunities? How do they mobilise resources (financial, human and others)? What are the capabilities required to perform entrepreneurial functions and to create social value and also the influence of contexts in this process? I was also interested to know the interplay of these dimensions in the process of creating value for the beneficiaries. At the same time, I realised that it is equally important to understand the concept of 'social value' in the context of social entrepreneurship from both the perspectives—first, of those who are creating values for the beneficiaries, i.e. 'social entrepreneurs', and second, those who are the receivers of these values, i.e. 'beneficiaries', because they are the intended targets of social value creation (Lepak et al. 2007). My research focused on these questions.

Considering the importance of adopting a case study research strategy, when 'how' or 'why' questions are posed, and when the investigator has little control over events and the focus is to understand contemporary complex social phenomena within a real-life context (Yin 1993, 2003), I decided to follow the multiple-case study approach to get answers to my questions. A multiple-case study enables the researcher to explore differences within and between cases. Based on comparisons, one is able to predict similar results across cases or predict contrasting results based on a theory. In addition, such a study is regarded as more robust, because the evidence from multiple cases is often considered more compelling. Developing a theory based on these multiple cases (Eisenhardt 1989) was also my intention. The interest to study the process of social value creation, in particular, 'how social entrepreneurs create social value', helped me to determine what the case would be. Considering these research questions, the social entrepreneur was determined as the 'case'.

The next key task was to identify the sample cases for this study. There is no specific legal framework available in India for social enterprises. Thus, in order to build a model applicable across all types of social enterprises, I decided to select

social entrepreneurs from diverse types of social enterprises. The selected types/categories of social enterprises were as follows:

- Non-profit charitable social enterprises, dependent on external funding, such as charity, grants and subsidies from the government.
- Non-profit charitable social enterprise, sustainable with combined income of donations, subsidies and its own earned income, or self-sufficient social enterprise of not-for-profit sector, or hybrid social enterprise. (these social enterprises are also considered very high on creating social value).
- For-profit social enterprises, registered as private companies, but with the primary mission of solving social problem, creating social value and bringing about social change (i.e. Social Purpose Business Ventures, as per Dees 1998).

Next, in order to get maximum variation of a complex phenomenon (Sandelowski 1995), I identified three important interlinked sectors—health, education and livelihood—from which to select diverse types of social enterprises. The rationale behind concentration on these sectors lies in the fact that poverty is a major problem in India, as mentioned, and though some economists relate it solely to income poverty, poverty is more than that. Poverty does not mean a lack of material well-being only; rather, it also implies non-material aspects of well-being, especially education and health (Siggel 2010). Poor status of health and poor access to health services are seen as major dimensions of poverty (Tamayo 2003; Acharya and Ranson 2005a, b). The health of the poor affects their livelihood, as they mostly depend on their bodies to earn their livelihood. Also, effective healthcare services are basic for sustainable livelihood for the poor (Chambers 1995). Investment in human resources helps to increase income and reduce poverty, i.e. income poverty (*World Bank, Poverty Reduction Handbook* as cited in Chambers 1995). Better education and health help in earning higher incomes (Sen 2010). From this perspective, income is the end, and improved access to education, health care and other social services are justified as the means to that economic end. Vice versa, low income can be a major reason for illiteracy, hunger and ill health (Sen 2010). I was convinced fully that to be able to come out of the poverty trap, improvements are necessary in both people's income and their health and educational status. Thus, recognising the importance of the interlinkages between health, education and livelihood sectors for poverty alleviation, I identified these three sectors for sample selection. Encompassing a full range of variation was likely to enhance the representativeness of the sample of cases chosen for the study (Seawright and Gerring 2008).

I decided that only those social entrepreneurs, whose SEVs have taken organisational forms (i.e. who have created 'social enterprises'), and are Ashoka Fellows, would be considered as sample cases for conducting the detailed case studies (after all, they pioneered the term 'social entrepreneurship' during the 1980s). This decision came through my awareness that Ashoka's process of selection of social entrepreneurs is rigorous and well-researched. They select only those social entrepreneurs who have created a high impact on the society through their models. Lastly, I purposely selected social entrepreneur or the main founder of each social

enterprise as a sample case. In this way, three cases for each category of social enterprises mentioned above were identified from each of three identified sectors. Finally, cases (Ashoka Fellows) of nine categories made the final sample size for the present study (refer Table 1.1).

For approximately seven months, i.e. from January 2012 to July 2012, I did my fieldwork and evidence collection. During this period, I travelled extensively visiting these organisations and their work areas and met the founders, top management, other employees and also their beneficiaries (refer Appendix 1 for a description of the beneficiaries). I recorded their interviews, observed their operations and impact, wrote field notes, took photographs and also collected various documents such as brochures, secondary research articles and audio-visual records from the organisations. I have attached all the tools used for data collection as separate annexures (Appendix 2, 3 and 4). I also visited Websites of their organisations. Now, when I look back, I see this entire data collection as a golden period for me, which provided me the opportunity to meet these social change makers in

Table 1.1   Selected sample cases for the study

No.	Sector	Non-profit charitable social enterprises dependent on external funding	Non-profit partly funded sustainable social enterprise, or not-for-profit self-sufficient social enterprise, or hybrid social enterprise	For-profit social enterprises
1	Health	Dr. Armida Fernandez (SNEHA, Mumbai)	Dr. Devi Shetty (Narayana Hrudayalaya Pvt. Ltd.,[a] Bengaluru)	Dr. Ashwin Naik (Vaatsalya Healthcare Solutions Pvt. Ltd, Bengaluru)
2	Education	Shaheen Mistri (Akanksha Foundation, Mumbai)	Geeta Ramanujam (Kathalaya,[b] Bengaluru)	Dr. Brij Kothari (BookBox Pvt. Ltd., Pondicherry)
3	Livelihood	Rajendra Joshi (SAATH, Ahmedabad)	Irfan Alam (Sammaan Foundation,[c] Patna)	Kaushlendra Kumar (KNIDS GREEN Pvt. Ltd., Patna)

[a]'Narayana Hrudayalaya' is registered as a Private Ltd. Company. Its mission drives social value creation through providing affordable quality health care services to all segments of the society. Financial need and market opportunities drive its economic value creation through its business model. It is a hybrid model

[b]'Kathalaya' is registered as a charitable trust, but in order to sustain it, Geeta Ramanujam, the founder, has created 'Academy of Storytelling', a for-profit social enterprise. Thus, 'Katahalaya' is a social enterprise sustainable with the combined income of grants, government's subsidies, corporate's funding and also income generated by 'Academy of Storytelling'

[c]'Sammaan Foundation' is registered as a Sect. 25 Company under 'The Companies Act, 1956'. Since the first year of its operation, this social enterprise has been generating profit. It is a not-for-profit social enterprise. Unlike a for-profit company, it either reinvests surplus income into the business to enhance the service or invests it in the wider community. As per the 'Companies Act, 2013', Sect. 25 company is now known as Sect. 8 company

person, and observe their work closely. It was truly inspiring. Though, this field-
work and data collection was meant for completion of my doctoral study, I must
confess here that they influenced me greatly and I have learnt a lot from them and
benefitted in my personal life as well.

I analysed the data following the coding method (Strauss and Corbin 1998). To
produce contextually grounded phenomenon and findings that could be generally
applied across case, I combined coding and sorting with within-case data man-
agement and analysis as suggested by Ayres et al. (2003). Then, based on within-
and cross-case comparison analysis, I developed various themes and sub-themes
and identified relationships and emerging patterns. Finally, I developed proposi-
tions based on these findings and, then synthesising all the propositions, presented a
theoretical framework of social entrepreneurship.

It is important to mention here that following the behavioural approach of
Gartner (1985, 1988), I have given importance to the role of social entrepreneurs
who are also the founders of their organisations. The reason is that they are the
individuals who first envisioned and then initiated the process of social value
creation. They took decisions, then acted on those, started SEVs and established
their organisations to achieve their social mission. Therefore, the contribution of a
social entrepreneur's capabilities in the process of social value creation has been
explored and is discussed in the book. Although, I completely agree that the
capability of the organisation is equally important for its success, but it is beyond
the scope of this book. In addition, recognising the importance of understanding
interaction between social entrepreneurs and the context in which they are
embedded for understanding and exploring why and how social change is possible
(Mair and Marti 2006), I have emphasised exploring contextual factors, both in
general and specific, influencing the process of social value creation. Context is
important for understanding when, how and why entrepreneurship happens and
who gets involved (Welter 2011). In a similar way, I believe, emphasis should be
given on contextualising social entrepreneurship, so that it can add to our knowl-
edge of when, how and why social entrepreneurship happens.

I would also like to state that the names of the Indian social entrepreneurs and
their social enterprises mentioned in this book have been done after seeking due
permissions. However, the identity of the management and other employees has
been kept anonymous and only their designation in the organisation has been
mentioned. For the beneficiaries, I have used pseudonyms to refer to them and not
their real names.

The outcome of the study attempts to provide answers to many of the questions
related to social value creation, which were unanswered in the past. It would help to
understand the 'social value' created by social entrepreneurs and the ways in which
they managed to do so. The study would help individuals interested in using similar
mechanisms for solving social problems and creating social value. They would
benefit from the experiences of leading social entrepreneurs included in the study.
The findings of the study would help educators of social entrepreneurship and
social work to develop capabilities, i.e. required knowledge and skills, for social

value creation in their students. It would also help to create an enabling environment in India for the promotion of social entrepreneurship, so that many more social entrepreneurs could emerge.

References

Acharya A, Ranson MK (2005) Health care financing for the poor: community-based health insurance schemes in Gujarat. Econ Polit Wkly 17:4141–4150

Aggarwal A (2012) India's services sector: gateway to development? Econ Polit Wkly XLVII(26 & 27):119–123

Austin JA, Stevenson H, Wei-Skillern J (2006) Social and commercial entrepreneurship: same, different, or both? Entrep Theory Pract 30(1):1–22

Ayres L, Kavanaugh K, Knafl K (2003) Within-case and across-case approaches to qualitative data analysis. Qual Health Res 13(6):871–883

Bannerjee A (2011) Review of the book State of India's livelihood report 2010 by Datta S, Sharma V. South Asia Econ J 12(2):339–358

Barowalia A (2010) Public private partnership in social sectors for harmonised development in India. OIDA Int J Sustain Dev 1(4):29–37

Bornstein D (2005) How to change the world: social entrepreneurs and the power of new ideas. Penguin Books, New Delhi

Boschee J (2006) Social entrepreneurship: the promise and the perils. In: Nicholls A (ed) Social entrepreneurship: new models of sustainable change. Oxford, New York, p 356–390

Bradley SW, McMullen JS, Artz K et al (2012) Capital is not enough: innovation in developing economies. J Manag Stud 49(4):685–717

Business Portal of India (2013) Indian economy. http://www.archive.india.gov.in/business/indian_economy/index.php. Accessed 14 June 2013

Census of India (2011) Government of India, New Delhi, Ministry of Home Affairs, Office of the Registrar General & Census Commissioner. http://censusindia.gov.in/. Accessed 15 March 2011

Chambers R (1995) Poverty and livelihoods: whose reality counts? Environ Urban 7(1):173–204

Christie MJ, Honig B (2006) Social entrepreneurship: new research findings. J World Bus 41:1–5

Commission on the Private Sector and Development (2004) Unleashing entrepreneurship: making business work for the poor. UNDP, New York. http://web.undp.org/cpsd/documents/report/english/presskit.pdf. Accessed 24 March 2013

D'Cruz P, Bharat S (2001) Which way to turn? Inadequacies in the health care system in India. J Health Manag 3(1):85–125

Dees JG (1998) The meaning of social entrepreneurship. http://www.fntc.info/files/documents/The%20meaning%20of%20Social%20Entreneurship.pdf. Accessed 20 Oct 2008

Dees JG (2007) Taking social entrepreneurship seriously. Society 44(3):24–31

Dees JG, Anderson BB (2003) For-profit social ventures. Int J Entrep Educ Spec Issue Soc Entrep 2:1–26

Dees JG, Emerson J, Economy P (2001) Enterprising nonprofits: a toolkit for social entrepreneurs. Wiley, New York

Dharmarajan S (2001) NGOs as prime movers: sectoral action for social development. Kanishka Publishers, New Delhi

Domenico MD, Haugh H, Tracey P (2010) Social bricolage: theorising social value creation in social enterprise. Entrep Theory Pract 34(4):681–703

Dubey M (2010) The right of children to free and compulsory education act, 2009: the story of a missed opportunity. Soc Change 40(1):1–13

Economic Survey Report of India (2010–11). http://www.google.co.in/?gfe_rd=cr&ei=gCG NVNKcKavO8gempYGoAw#q=Economic+Survey+Report+of+India+2010-11. Accessed 16 March 2013

Eisenhardt K (1989) Building theories from case study research. Acad Manag Rev 14(4):488–511

Elkington J, Hartigan P (2008) The power of unreasonable people: how social entrepreneurs create markets that change the world. Harvard Business Press, Boston

Fowler A (2000) NGDOs as a moment in history: beyond aid to social entrepreneurship or civic innovation? Third World Q 21(4):637–654

Gartner WB (1985) A conceptual framework for describing the phenomenon of new venture creation. Acad Manag Rev 10(4):696–706

Gartner WB (1988) "Who is an entrepreneur?" is the wrong question. Entrepr Theory Pract 13 (4):47–68

Gautam R (2010) Role of NGOs in socio-economic development. Sublime Publications, Jaipur

Ghosh B (2009) NGOs, civil society and social reconstruction in contemporary India. J Dev Soc 25(2):229–252

Gore MS (2003) Social development: challenges faced in an unequal and plural society. Rawat Publications, Jaipur

Grenier P (2006) Social entrepreneurship: agency in a globalising world. In: Nicholls A (ed) Social entrepreneurship: new models of sustainable change. Oxford University Press, New York, pp 119–142

Ianchovichina E, Lundstrom S (2009) Inclusive growth analytics. Economic Policy and Debt Department Policy Research Working Paper Series No. 4851, World Bank, Washington DC

Jain H (2010) Health sector reforms and health poverty. Soc Change 40(1):61–78

Jha P (2007) Guaranteeing elementary education: a note on policy and provisioning in contemporary India. J South Asian Dev 2(1):75–105

Jha RK (2012) Managing non-profit organisations. Dorling Kindersley (India) Pvt. Ltd., New Delhi

Johnson S (2000). Literature review on social entrepreneurship. http://www.business.ualberta.ca/ ccse/Publications/Publications/Lit.%20Review%20SE%20November%202000.rtf.   Accessed 14 July 2008

Kalirajan K, Bhide S, Singh K (2009) Development performance across Indian states and the role of the governments. ASARC Working Paper. http://www.google.co.in/url?sa=t&rct=j&q= &esrc=s&source=web&cd=4&cad=rja&ved=0CDwQFjAD&url=http%3A%2F%2Fwww. researchgate.net%2Fpublication%2F46457416_Development_Performance_Across_Indian_ States_and_The_Role_of_the_Governments%2Ffile%2Fd912f50b2a966e26fd.pdf&ei=jsyx UcSBOsPPrQeW-4DYCg&usg=AFQjCNGcshMhAKSrdiQVD8cYQxdSSfzsFQ&bvm=bv. 47534661,d.bmk. Accessed 06 June 2013

Koonan S, Sampat P (2012) Delhi water supply reforms: Public-private partnerships or privatisation? Economic & Political Weekly XLVII(17):32–39

Kundu S (2010) The case of MCH services. Indian J Gend Stud 17(1):105–133

Ladusingh L, Pandey A (2013) Health expenditure and impoverishment in India. J Health Manag 15(1):57–74

Leadbeater C (1997) The rise of social entrepreneur. Demos, London

Lepak DP, Smith KG, Taylor MS (2007) Value creation and value capture: a multilevel perspective. Acad Manag Rev 32(1):180–194

Light PC (2005) Searching social entrepreneurs: who they might be, where they might be, what they do. Paper presented at the annual meetings of the Association for Research on Nonprofit and Voluntary Associations, November 17–18. http://wagner.nyu.edu/performance/files/ ARNOVApaper.pdf. Accessed 02 Feb 2009

Lundstrom A, Zhou C (2011) Promoting innovation based on social sciences and technologies: the prospect of a social innovation park. Innov-Eur J Soc Sci Res 24(1–2):133–149

Mair J, Marti I (2006) Social entrepreneurship research: a source of explanation, prediction and delight. J World Bus 41:36–44

Martin M (2002) Between entrepreneurship and surveillance: an interpretive political economy perspective on the globalising organisation. Entwicklungsethnologie 11(1):83–110

Martin RL, Osberg S (2007) Social entrepreneurship: the case for a definition. Stanford Social Innovation Review, Spring, 29–39

Meher R (2007) Livelihood, poverty and morbidity: a study on health and socio-economic status of the tribal population in Orissa. J Health Manag 9(3):343–367

MoHFW (2009). National Health Accounts, India 2004–05. National Health Accounts Cell, Government of India

Mort GS, Weerawardena J, Carnegie K (2003) Social entrepreneurship: towards conceptualisation. Int J Nonprofit and Voluntary Sect Mark 8(1):76–88

Mukhopadhyay C (2011) Are private investments serving the poor in India? J Infrastruct Dev 3 (1):39–63

Nandraj S (2012) Unregulated and unaccountable: private health providers. Econ Polit Wkly XLVII(4):12–17

Narayan V (2010) The private and the public in school education. Econ Polit Wkly XLV(6):23–26

Nicholls A (ed) (2006) Social entrepreneurship: new models of sustainable change. Oxford University Press, New York

Oza AN (1988) Integrated entrepreneurship development programmes: the Indian experience. Econ Polit Wkly 23(22):M73–M79

Rathakrishnan L (2003) Environmental issues and small enterprises. Manag Labour Stud 28 (1):21–30

Sandelowski M (1995) Focus on qualitative methods: sample size in qualitative research. Res Nurs Health 18:179–183

Seawright J, Gerring J (2008) Case selection techniques in case study research: a menu of qualitative and quantitative options. Polit Res Q 61(2):294–308

Sen A (2010) Development as freedom. Oxford University Press, New Delhi

Short JC, Moss TW, Lumpkin GT (2009) Research in social entrepreneurship: past contributions and future Opportunities. Strateg Entrep J 3:161–194

Siggel E (2010) Poverty alleviation and economic reforms in India. Progr Dev Stud 10(3):247–259

Smith BR, Stevens CE (2010) Different types of social entrepreneurship: the role of geography and embeddedness on the measurement and scaling of social value. Entrep Reg Dev 22(6):575–598

Strauss A, Corbin J (1998) Basics of qualitative research: techniques and procedures for developing grounded theory, 2nd edn. Sage Publications, London

Sud M, VanSandt CV, Baugous AM (2008) Social entrepreneurship: the role of institutions. J Bus Ethics. doi:10.1007/s10551-008-9939-1

Tamayo PA (2003) Dying for growth: global inequality and the health of the poor. Rev Radic Polit Econ 35:377–381

Thomas KT, Vel RS (2011) Private health insurance in India: evaluating emerging business models. J Health Manag 13(4):401–417

Topper EF (2008) Social entrepreneur improves literacy in the developing world. New Libr World 109(1):87–89

UNDP (2011) Human Development Report 2011. Sustainability and equity: A better future for all. UNDP, New York. https://www.google.co.in/?gfe_rd=cr&ei=Eh6MVP6tAqfO8gei9YCICA&gws_rd=ssl#q=UNDP+%282011%29+Human+Development+Report+2011.+Sustainability+and+equity:+A+better+future+for+all.++UNDP%2C+New+York. Accessed 23 March 2013

UNICEF (2011) The situation of children in India. www.unicef.org/sitan/files/SitAn_India_May_2011.pdf. Accessed 12 October 2015

UNICEF, WHO, The World Bank (2012) Levels & trends in child malnutrition. Unicef, WHO & The World Bank, USA. http://www.data.unicef.org/corecode/uploads/document6/uploaded_pdfs/corecode/Levels_and_Trends_in_Child_Malnutrition_132.pdf. Accessed 16 Feb 2013

UNICEF, WHO, The World Bank et al (2012) Levels & trends in child mortality: Report 2012. Unicef, USA. http://www.apromiserenewed.org/files/UNICEF_2012_child_mortality_for_web_0904.pdf. Accessed 27 Jan 2014

United Nations (2011) World population prospects: the 2010 revision, highlights and advance
    tables. Accessed on October 9, 2012, from http://esa.un.org/unpd/wpp/Documentation/pdf/
    WPP2010_Highlights.pdf
United Nations (2013) World population prospects: the 2012 revision, highlights and advance
    tables. http://esa.un.org/wpp/documentation/pdf/WPP2012_HIGHLIGHTS.pdf. Accessed 09
    July 2013
Varman R, Kappiarath G (2008) The political economy of markets and development: a case study
    of health care consumption in the state of Kerala, India. Critical Sociol 34(1):81–98
Venkatanarayanan S (2015). Economic liberalisation in 1991 and its impact on elementary
    education in India. SAGE open, April–June, 1–13
Wang J (2012) HRD for societal development: what can we learn from social entrepreneurship in
    the developing world? Adv Dev Human Res 14(3):305–317
Welter F (2011) Contextualising entrepreneurship- conceptual challenges and ways forward.
    Entrepr Theory Pract 35(1):165–184
WHO (2013) World health statistics 2013: a wealth of information on global public health. http://
    apps.who.int/iris/bitstream/10665/82058/1/WHO_HIS_HSI_13.1_eng.pdf. Accessed 06 June
    2013
World Bank (2011). Social protection for a changing India. Volume I. USA: The International Bank
    for Reconstruction and Development/The World Bank. http://documents.worldbank.org/curated/
    en/2011/01/14087371/social-protection-changing-india-vol-1-2-executive-summary. Accessed
    07 Dec 2011
Yin RK (1993) Applications of case study research. Applied social research methods series, vol
    35. Sage, London
Yin R (2003) Case study research: design and methods, 3rd edn. Sage, Thousand Oaks
Yujuico E (2008) Connecting the dots in social entrepreneurship through the capabilities approach.
    Socio-Econ Rev 6:493–513

Part I
In Search of Meaning

Chapter 2
Reviewing Social Entrepreneurship Knowledge

Abstract This chapter elaborates the concept of social entrepreneurship in Indian and global contexts, within the existing theoretical knowledge and empirical evidence. The chapter starts with a discussion on theories of entrepreneurship and their development. Then, it explores the concept of social entrepreneurship. It also critically reviews social entrepreneurship literature, which is categorised into two major parts: first, content (social element and entrepreneurial element), and second, methodological review. The critique and research gaps, which are summarised towards the end of the review of literature, lead to the research questions.

As discussed in Chap. 1, social entrepreneurs and their approaches are especially important in the context of underdeveloped and developing countries, due to their potential of solving social problems in a sustainable manner. I realised its significance and my curiosity to understand social entrepreneurship (SE) led me to examine the literature on SE in detail.

I examined the literature that throws light on the concept of entrepreneurship, SE, SEV, social enterprise, beneficiaries and 'social value' in the context of SE research. Further, I critically reviewed empirical evidence on SE in Indian and international contexts. For this purpose, I referred to several national and international journals, books, reports, briefing papers, overview papers, book reviews and Websites.

In recent years, the field of SE has gained popularity and attracted the attention of scholars from various disciplines, along with social policy practitioners. However, 'The concept of social entrepreneurship is still poorly defined and its boundaries to other fields of study remain fuzzy' (Mair and Marti 2006, p. 36). It has not yet been established as an independent field in terms of theory. According to Martin (2004, p. 9), 'The field of social entrepreneurship is currently at a stage prior to the establishment of a dominant paradigm that orients research and practice for an extended period'. Though, the literature on SE has grown significantly over the past two decades, it remains diffuse and fragmented (Mort et al. 2003). Therefore, it poses challenges for scholars. There is a lack of conceptual clarity. Thus, there is a need to conceptualise SE more clearly.

SE is a combination of two words: social and entrepreneurship. A closer look at entrepreneurship theories and their development, and then a focus on the word 'social' would help to uncover its meaning, shows how it distinguishes itself from commercial/traditional entrepreneurship and the ways in which it is similar to traditional entrepreneurship.

2.1 Theories of Entrepreneurship

The literature reflects that there is no agreed upon definition of what an entrepreneur is or does (Cunningham and Lischeron 1991; Ripsas 1998). Scholars have tried to define it in their own way, based on their own understanding (Coulter 2000; Tan et al. 2005). The term 'entrepreneur' has been used to define a wide range of activities such as creation, founding, adapting and managing a venture (Cunningham and Lischeron 1991). The term 'entrepreneurship' has a diverse range of meanings, and therefore, no single discipline is sufficient to explain it optimally. Entrepreneurial behaviour cannot be explained by economic theory alone because psychological, cultural and sociological factors also play an important role in it. Schumpeter's (Economic Theory) notion of the entrepreneur is only a starting point for the development of a theory of entrepreneurship. Entrepreneurship is therefore perceived as being interdisciplinary (Ripsas 1998). Researchers have borrowed popular theories from other disciplines, mainly from sociology, psychology and economics, and adapted them to the study of diverse entrepreneurial phenomena (Zahra 2007).

The term 'entrepreneur' originated in French economics in the seventeenth and eighteenth centuries, to mean 'someone who undertakes' a project or activity. The connection of risk with entrepreneurship was developed only in the seventeenth century by the economist Richard Cantillon. He viewed the entrepreneur as a 'risk taker'. However, the term 'entrepreneur' got its particular meaning from Jean Baptiste Say in the nineteenth century, when he stated that the entrepreneur is one who shifts economic resources from an area of lower to an area of higher productivity and greater yields. He did not emphasise the importance of change and innovation within an economic system; rather, he described the entrepreneur as an agent of change. He further stressed that the entrepreneur created value.

In the twentieth century, Schumpeter described entrepreneurs as the 'innovators' who drive the 'creative–destruction' process of capitalism. Entrepreneurs were seen as the agents of change that moved the economy forward by serving new markets or creating 'new ways of doing things' (Dees 1998). Innovation was the key element in the Schumpeterian approach. For Schumpeter, the entrepreneur was an innovator (Schumpeter 1934). He also differentiated the entrepreneur from the resource owner. In his view, risk was not essential to the concept of entrepreneurship, unless the entrepreneur and the resource owner were the same person. If ownership of resources was not a prerequisite for being an entrepreneur, then the innovation process could also be carried out by an employed manager (Schumpeter 1934). In short, Say and Schumpeter suggested that the primary function of entrepreneurs was

to start new profit-seeking business ventures. Entrepreneurship was not limited to only the starting of a business. They identified entrepreneurs as the catalysts and innovators in economic progress. This has created the foundation for the advancement of entrepreneurship theories (Dees 1998).

Moving away from the traits and psychological approaches to entrepreneurship, which focus mainly on the personality traits and characteristics of entrepreneurs, Gartner (1985, 1988) views entrepreneurship from the behavioural perspective. In the trait approach, the entrepreneur is the basic unit of analysis and the entrepreneur's traits and characteristics are the key to explaining entrepreneurship as a phenomenon, since the entrepreneur causes entrepreneurship. This view alone, however, is inadequate to explain the phenomenon of entrepreneurship. Gartner (1988) found that studies of psychological characteristics of entrepreneurs, sociological explanations of entrepreneurship cultures, economic and demographic explanations of entrepreneurial locations, etc., begin with the creation of new organisations. According to Gartner (1988, p. 62), 'Entrepreneurship is the creation of new organisations'. Thus, Gartner (1985, 1988) perceived entrepreneurship as the creation of new organisations and entrepreneurship as a behavioural concept. From this viewpoint, the focus of entrepreneurship shifted from traits and personality characteristics of the entrepreneur to the process of new venture/organisation creation. From the behavioural perspective, the entrepreneur is part of the complex process of new venture creation. This approach treats the organisation as the basic unit of analysis and the individual is viewed in terms of the activities undertaken to enable the organisation to come into existence.

In the twentieth century, Peter Drucker added his perspective by stating that entrepreneurship involves maximising opportunities (Dees 1998). Entrepreneurs recognise and act on opportunities. 'Innovation' is the specific tool that they use, through which they exploit change as an opportunity for a different business or a service (Drucker 1986). In the entrepreneurship literature (Venkataraman 1997; Shane and Venkataraman 2000; Eckhardt and Shane 2003; Sarason et al. 2006), the focus has shifted to the study of opportunities. The field of entrepreneurship therefore involves a study of the sources of opportunities; the processes of discovery, evaluation and exploitation of opportunities; and the set of individuals, who discover, evaluate and exploit them (Shane and Venkataraman 2000). These opportunities have been conceptualised as an act of recognition, discovery or creation (Sarasvathy et al. 2003).

Earlier, most researchers defined entrepreneurship in terms of questions, such as 'who is an entrepreneur and what does he do?' However, they later shifted their focus on understanding the nexus of the presence of lucrative opportunities and the presence of enterprising individuals (Venkataraman 1997). Notably, entrepreneurship is concerned with profitable opportunities. Eckhardt and Shane (2003, p. 336) define 'entrepreneurship opportunity' as a 'situation in which new goods, services, raw materials, markets and organising methods can be introduced through the formation of new means, ends, or means-ends relationships'. Sarason et al. (2006) extended the work of Shane and Venkataraman (2000) and proposed the 'structuration theory' as a useful lens to view the entrepreneurial process. Entrepreneurship is presented as the nexus of opportunity and agency, whereby

opportunities are not singular phenomena, but are idiosyncratic to the individual. Contrary to the traditional view of entrepreneurship that entrepreneurs fill market gaps, this view proposes that the entrepreneur and social system coevolve. Thus, many scholars (Zahra 2007; Welter 2011) emphasise the importance of context in understanding entrepreneurship. According to Welter (2011, p. 165), '…economic behaviour can be better understood within its historical, temporal, institutional, spatial, and social contexts, as these contexts provide individuals with opportunities and set boundaries for their actions'.

Stevenson adds the element of 'resourcefulness' to the opportunity-oriented definition (Dees 1998). The willingness of entrepreneurs to pursue opportunity, regardless of the resources under control, is the essence of entrepreneurship, and 'to find a way' is typical to the entrepreneur (Stevenson and Jarillo 1990).

With developments in the field of strategic management, the focus of entrepreneurship shifted to the entrepreneurial processes, which included the method, practices and styles used by managers to act entrepreneurially (Lumpkin and Dees 1996). In sum, the firm's entrepreneurial orientation (EO) is associated with processes, practices and decision-making activities that lead to a new entry, and the five dimensions—autonomy, innovativeness, risk-taking, proactiveness and competitive aggressiveness—characterise an EO. The new entry can be accomplished by entering new or established markets with new or existing goods or services. Lumpkin and Dees (1996) argue that the relationship between EO and performance is context-specific and the dimensions of EO vary independently of each other in a given context, depending on the environmental and organisational context. Their view of the firm's EO is as a multidimensional construct, and they suggested a contingency approach to understand a firm's EO and the firm–performance relationships.

Cunningham and Lischeron (1991) categorised theories of entrepreneurship into six different schools of thought on the basis of their emphasis on personal characteristics, opportunities, management and the need for adapting an existing venture; these are summarised in Table 2.1.

Table 2.1 Theories of entrepreneurship

S. No.	School of thought	Focus
1	The Great Person School	The entrepreneur has an intuitive ability—a sixth sense—and traits and instincts he/she is born with
2	The Psychological Characteristics School	Entrepreneurs have unique values, attitudes and needs which drive them
3	The Classical School	The central characteristic of entrepreneurial behaviour is innovation (Schumpeter)
4	The Management School	Entrepreneurs are organisers of economic value; they are people who organise, own, manage and assume the risk
5	The Leadership School	Entrepreneurs are leaders of people. They have the ability to adapt their style to the needs of people
6	The Intrapreneurship School	Entrepreneurial skills can be useful in complex organisations

Among the above-mentioned schools of thought, the 'Great Person' theory and the 'Psychological Characteristics' theory are related to the assessment of personal qualities. 'The Classical School' is concerned with innovation and opportunity recognition. 'The Management School' and 'The Leadership School' are related to running and managing the organisation. 'The Intrapreneurship School of Entrepreneurship' is mainly concerned with reassessing and adapting aspects of the entrepreneurial process.

The discussion shows that different perspectives from various disciplines have been used in entrepreneurship. Therefore, scholars emphasise the adoption of an interdisciplinary approach (Ripsas 1998; Ireland and Webb 2007), or harmonising different perspectives (Moroz and Hindle 2012) in studying entrepreneurship.

The discussion on entrepreneurship provides a theoretical base for the conceptualisation of SE more clearly, as social entrepreneurs perform entrepreneurial activities to achieve their social mission (Nicholls 2006). Similar to entrepreneurship, the process of SE is also influenced by a variety of contextual factors. Therefore, there is a need to adopt a similar multidisciplinary approach to entrepreneurship in conceptualising SE as well. Only a combination of all the perspectives—economic, psychological, and cultural and sociological, i.e. a multidisciplinary approach—can holistically capture and explain the behaviour of social entrepreneurs, and thus, SE.

2.2 The Concept of Social Entrepreneurship

As mentioned earlier, SE is considered as a response to either market failure, state failure or both, in meeting social needs (Nicholls 2006; Yujuico 2008). Most of the literature on SE has focused on defining and describing the phenomenon of SE, stressing on two elements, namely social mission and entrepreneurial activities (Corner and Ho 2010).

Different scholars have tried to see it from their own perspectives. For Dees (1998), social entrepreneurs are a special breed of leaders. This perspective reflects the 'great man' approach towards SE. Leadbeater (1997) states that social entrepreneurs are good leaders, thereby offering a leadership approach to the understanding of SE. The concept of 'social entrepreneurship' has also been discussed in the context of social action. For example, two social entrepreneurs (leaders) of the USA, namely Ken Kragen of 'Hands Across America' and Phillip Joanous of 'Partnership for a Drug-Free America', played a critical role in bringing about 'catalytic changes' in public sector agenda and the perception of certain social issues, by mobilising private resources to raise public awareness (Waddock and Post 1991). The stories of these two social entrepreneurs also point to the suitability of the leadership school of thought in entrepreneurship. However, there are scholars (Martin and Osberg 2007), who have excluded 'social activism' from the boundary of SE. They believe that inclusion of social activism within SE would confuse the general public, because they already know the meaning of a social activist.

Some theorists focus on the capabilities and potential of social entrepreneurs in making changes in the lives of people. Social entrepreneurs innovate (three different forms of innovations—building local capacity, disseminating a package and building a movement) and transform the lives of the poor and the marginalised (Alvord et al. 2004). Social entrepreneurs discover and create local opportunities and contribute to social, human and economic sustainable development by changing the lives of real people and the systems that create and sustain poverty (Seelos and Mair 2005b). Recently, the concept of SE has been extended to include teachers as 'educational social entrepreneurs', who create social value in the contexts of socio-economic and educational deprivation (Chand and Misra 2009).

On the basis of the different perspectives used in SE, a classification of SE is presented in Table 2.2.

Not only have scholars used different perspectives to theorise SE, the term 'social entrepreneurship' has also been developed in a variety of contexts/sectors. The term is being used more extensively, but its scope in both business and voluntary sector has not been mapped effectively (Thompson 2002).

A few scholars limit SE to the traditional non-profit sector only. In fact, most research efforts to date have positioned it primarily in the non-profit and public policy domains (Short et al. 2009). They have focused only on charitable activities to meet the social mission. Many see SE as bringing business expertise and earned income (apart from philanthropy, subsidies and grants) to traditional non-profits to diversify its source of funding to achieve sustainability in its efforts towards a social mission (Leadbeater 1997; Dees and Anderson 2003; Boschee and McClurg 2003; Martin 2004; Weerawardena and Mort 2006; Irwin 2007). To address the issue of funding new social ventures, social entrepreneurs consider the strategy of moving into new markets to subsidise their social activities in two ways. Either they exploit

Table 2.2 Different perspectives used in social entrepreneurship

S. No.	Scholars	Perspective used
1	Dees (1998)	Great man approach: Social entrepreneurs are a special breed of leaders
2	Leadbeater (1997)	Leadership approach: they are very good leaders
3	Waddock and Post (1991)	In the context of social action: for example, two social entrepreneurs (leaders) of USA played a critical role in bringing about 'catalytic changes' in public sector agenda and the perception of certain social issues, by mobilising private resources to raise public awareness
4	Alvord et al. (2004)	Focus on the capabilities and potential of social entrepreneurs in changing the lives of poor and marginalised people. Social entrepreneurs innovate. The three different forms of innovations are building local capacity, disseminating a package and building a movement
5	Seelos and Mair (2005b)	Social entrepreneurs discover and create local opportunities for social, human and economic sustainable development by changing the lives of real people and the systems that create and sustain poverty
6	Chand and Misra (2009)	Social value creation by teachers in the context of socio-economic and educational deprivation

profitable opportunities in the core activities of their not-for-profit venture, or they do it via for-profit subsidiary ventures and cross-sector partnerships with commercial corporations (Boschee and McClurg 2003; Boschee 2006).

Irwin (2007) argued that social enterprise typically falls somewhere in the middle of the two extremes of charitable organisations (where all income comes from charitable donations) and typical for-profit business (which aims to maximise profit over the long run and where the members distribute surpluses among themselves). However, the question is: Why does a charitable organisation not fit into the model of SE as a social enterprise? The main goal of SE was to solve a social problem or to fulfil societal needs and create social change/social value. If an organisation is innovatively exploiting opportunities to pursue its social mission and exhibiting entrepreneurship behaviour, it would certainly be in the realm of SE, irrespective of its source of funding.

The aim of a social enterprise was to create profits, like any other business (Irwin 2007). However, unlike for-profit business, social enterprises do not seek to maximise profits and they do not distribute any of their surpluses to shareholders. Instead, they reinvest their surplus in the business, to enhance the service or invest it in the wider community (ibid.). Social enterprises provide not-for-profit leaders an independent means of financing, where they combine non-profit with for-profit organisational features (Alter 2006). Not-for-profit organisations, taking this route, are often known as 'hybrids' (Alter 2007). 'Mission drives social value creation, which is generated through not-for-profit programmes. Financial need and market opportunities drive economic value creation, which is delivered through business models' (Alter 2006, p. 206). Hybrid social enterprises can develop within and across all three sectors (Mair and Noboa 2003; Nicholls 2006; Neck et al. 2008), with the condition that its primary focus must be on the social mission, not on economic value creation or profit making. Hasenfeld and Gidron (2005) developed a theoretical framework to study the conditions that lead to the emergence of multipurpose hybrid voluntary organisations and mentioned that they deliberately combine features of volunteer-run associations, social movements and non-profit service organisations.

Although all social enterprises create both social value and economic value, the decision to pursue a social enterprise is generally motivated by either the monetary gain or the amount of social impact it generates (Alter 2006). For this reason, the purpose of social enterprise depends on the emphasis and priority given to its financial and social objectives, and therefore, it differs in different social enterprises (ibid.). Within the not-for-profit sector, on the basis of profit distribution (reinvest or distribute), two types of social enterprises exist. Contrary to the traditional non-profits, some social enterprises, especially those established as cooperatives, are more relaxed about profit distribution and they are permitted to wholly or partially distribute profits among their beneficiaries in the form of additional products or services (Mair and Noboa 2003). The majority of the literature on SE has emerged within the not-for-profit sector. Some scholars (Waddock and Post 1991) relate social entrepreneurs with the creation or elaboration of a public organisation to alter the existing pattern of allocation of scarce resources.

For some like Dees (1998), SE also includes for-profit businesses, whose focus is social mission. They include in the realm of SE for-profit business ventures with a social purpose, such as community development banks, and organisations which have both not-for-profit and for-profit elements, such as homeless shelters that start a business to train and employ their residents. There are many more cases that clearly lie on the for-profit side of the divide but are readily labelled 'social entrepreneurship' by reputable commentators such as Ashoka—the Innovator for Public. For example, Dr. Ashwin Naik, founder of 'Vaatsalya Hospitals' who has been registered as a for-profit enterprise, is engaged in providing high-quality affordable and accessible health care to the people of India and has been recognised as a social entrepreneur by Ashoka.

The term SE has been extended to include 'community-based enterprises' (CBE) too (Peredo and Chrisman 2006). SE, rooted in community culture, transforms the community into an entrepreneur and an enterprise, because natural and social capitals are integral and inseparable from economic considerations. CBEs are built on the collective skills and resources of the community and have multiple social and economic goals (often with the priority of social goals). They have either collective governance structures or democratic management structures.

Some even include traditional for-profit business ventures in SE, such as those involved in creating some kind of societal benefit in the form of 'corporate social responsibility' (CSR). This group of thinkers (Prahalad 2004; Austin et al. 2006a, b; John 2007) believe that SE is not just for the social sector, but corporations could also be social entrepreneurs (called corporate social entrepreneurship—CSE). This thinking is about going beyond the traditional strategy of charitable giving. Recognising its potential of mutual benefits, they call for the corporate world to pay attention to this sector and concentrate on it for mutual benefit. In reality, 'socially responsible companies are those whose primary goal is profit; and, for most of them, their socially responsible behaviour is motivated by the belief that it will improve the bottom line' (Dorado 2006, p. 322).

It is also argued that even without CSR, a traditional for-profit business organisation also generates some kind of social impact. From a social welfare perspective, entrepreneurship is productive, because in the process of pursuing personal selfish ends, entrepreneurs also enhance social wealth by creating new markets, new industries, new technology, new institutional forms, new jobs and net increases in real productivity (Venkataraman 1997). Similarly, Korsgaard and Anderson (2011) argue that entrepreneurship is enacted in a socialised context and produces social outcomes. They used 'creation of social value' as a means for understanding outcomes. They found that value was created in multiple dimensions spread across different levels, from individual to societal level, and demonstrated that entrepreneurship is as much social as economic. However, the question here is: How can an organisation—irrespective of its form of CSR—whose ultimate goal is to make and maximise profit in the long run, claim to be a social entrepreneur?

However, in recent years, the concept of SE is rapidly growing in all the sectors—private, public and non-profit sectors and a combination of these three sectors

(Johnson 2000; Christie and Honig 2006; Short et al. 2009). Based on the use of the term in different sectors, a typology has emerged, which is presented in Table 2.3.

Within the above-discussed contextual variations, scholars have defined 'social entrepreneurship' from various perspectives. It has different meanings for different people (Dees 1998; Boschee and McClurg 2003; Light 2005; Bornstein 2005; Nicholls 2006; Mair and Marti 2006; Irwin 2007; Martin and Osberg 2007). As a result, there is no clear definition at present, and a universal definition of SE is yet to emerge (Martin 2004; Nicholls 2006; Weerawardena and Mort 2006; Christie and Honig 2006; Youssry 2007; Martin and Osberg 2007; Short et al. 2009). For example, following the line of development of entrepreneurship, Dees (1998) took key elements from the definitions of Say, Schumpeter, Drucker and Stevenson (discipline and accountability with the notions of value creation from Say, innovation and change agents from Schumpeter, the pursuit of opportunity from Drucker and resourcefulness from Stevenson). Dees (1998) mentioned that Howard Stevenson added an element of 'resourcefulness' to the opportunity-oriented definition based on the research that he conducted to determine what distinguishes entrepreneurial management from more common forms of 'administrative management'. He identified several dimensions of difference and found that 'the pursuit of opportunity without regard to resources currently controlled' is at the heart of entrepreneurial management. He also found that entrepreneurs do not allow their own initial resource endowments to limit their options. According to Dees,

'Social entrepreneurs play the role of change agents in the social sector, by:

- Adopting a mission to create and sustain social value (not just private value),
- Recognising and relentlessly pursuing new opportunities to serve that mission,
- Engaging in a process of continuous innovation, adaptation and learning,
- Acting boldly without being limited by resources currently in hand, and
- Exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created' (1998, p. 4).

This definition includes the key elements of social value creation, opportunity identification and exploitation for social objective, innovation and resourcefulness to create social change, but the notion of tolerance of risk is ignored. Several other scholars added the notion of risk-taking to the definition of SE (Brinckerhoff 2000; Dees et al. 2001; Tan et al. 2005; Weerawardena and Mort 2006; Irwin 2007; Elkington and Hartigan 2008). 'Social entrepreneurs are people who take risk on behalf of the people their organisation serves. Traditional entrepreneurs take risk on their own behalf, or on the behalf of their company's stockholders. In non-profits the risks are taken on behalf of the stakeholders' (Brinckerhoff 2000, p. 1). Social entrepreneurs take risks for social ends or a social mission. In a more elaborate form, SE has been conceptualised by Weerawardena and Mort (2006) as a multi-dimensional model involving the three dimensions: innovativeness, proactiveness and risk management. In their view, SE strives to achieve social value creation and it requires the display of these three dimensions. Recently, Choi and Majumdar (2014) clearly mentioned that a universal definition of SE that would be accepted

Table 2.3 Emerging typology of social entrepreneurship (based on its use in different sectors)

Major scholars	Sector	Description
Leadbeater (1997), Dees and Anderson (2003), Boschee and McClurg (2003), Martin (2004), Weerawardena and Mort (2006), Irwin (2007)	Non-profit/not-for-profit	These scholars limit social entrepreneurship only to the traditional non-profit sector. Some scholars restrict it to charitable organisations, while others see 'social entrepreneurship' as bringing business expertise and earned income (apart from philanthropy, subsidies and grants) to traditional non-profits to diversify its source of funding to achieve sustainability in its efforts towards a social mission
Waddock and Post (1991)	Public organisation	They relate social entrepreneurs with the creation of a public organisation to alter the existing pattern of allocation of resources in an environment of scarcity
Irwin (2007)	Middle of the two extremes; charitable and for-profit business	Social enterprise typically falls somewhere in the middle of the two extremes of charitable organisations (where all income comes from charitable donations) and typical for-profit business (which aims to maximise profit over the long run and where members distribute surpluses among themselves)
Dees (1998)	For-profit social business	Social entrepreneurship also includes for-profit businesses, whose focus is on social mission
Peredo and Chrisman (2006)	Community-based enterprise	In recent years, the term has been extended to include community-based enterprise (CBE) as well
Prahalad (2004), Achleitner et al. (2009)	For-profit business involved in CSR	They include traditional for-profit business ventures in social entrepreneurship that are involved in creating some kind of societal benefit in the form of corporate social responsibility (CSR)

(continued)

Table 2.3 (continued)

Major scholars	Sector	Description
Venkataraman (1997), Korsgaard and Anderson (2011)	Traditional entrepreneurship	Venkataraman (1997) even sees traditional entrepreneurship producing social impact, because in the process of pursuing profits, entrepreneurs also enhance social wealth by creating new markets, new industries, new technology, new institutional forms, new jobs and net increases in real productivity. Korsgaard and Anderson (2011) explain how social value is created in multiple forms at different centres and on different levels—from individual self-realisation over community development to broad societal impact in the process of entrepreneurship, and therefore argued that entrepreneurship is as much a social as an economic phenomenon
Johnson (2000), Mair and Noboa (2003), Nicholls (2006), Neck et al. (2008)	Across all three sectors, not-for-profit, public and for-profit, cross-sector partnerships	In recent years, the concept of social entrepreneurship is rapidly growing in all sectors—private, public and non-profit. Hybrid organisational forms of social enterprises can develop within and across all three sectors

among contestant parties is hardly possible as they perceived SE as an 'essentially contested concept' (ECC). They proposed the conceptualisation of SE as a cluster concept, which implies that SE is a representation of the combined quality of certain subconcepts, i.e. social value creation, social entrepreneurs, SE organisations, market orientation and social innovation.

However, despite the conceptual differences, a majority of the scholars define 'social entrepreneurs' as 'individuals, who identify and exploit opportunities, combine resources, and act innovatively to solve social problems, and create social value in order to achieve their social mission'. Thus, in many ways, SE is similar to traditional entrepreneurship, because it also includes the key elements of entrepreneurship, i.e. opportunity recognition and exploitation, innovation, resourcefulness. 'For social entrepreneurs, the social mission is explicit and central' (Dees 1998, p. 3). It is its focus on the social mission, which differentiates it from commercial entrepreneurship. However, I argue that instead of emphasising a universal definition of SE, it would be more fruitful to understand the phenomenon of SE.

From the social work perspective, it is argued that social workers are among the best prepared professionals to act in response to the world's social problems (Germak and Singh 2010). Gray et al. (2003) argue that social enterprise is not a new idea in the community services field, because social workers have been involved in community development since a long time. However, social workers involved in community development initiatives with impoverished communities have been strong advocates of social enterprise. Social enterprise becomes increasingly significant in community services policy and practice due to several reasons—transformation in the welfare sector, resource constraints in the non-profit community services sector and an emphasis on the individuals and communities participating in problem-solving. Therefore, on the one hand, it becomes important that social workers become familiar with it and that they think seriously about developing partnerships with private businesses or the for-profit sector, in changing the welfare context. On the other hand, social workers in developing countries play a decisive role in the development of practices of social and economic development. Social workers possess the skills in community development and are therefore ideally placed to make a contribution to evolving social enterprise practice. In reality, 'Social enterprise is and always has been the business of social work in that it refers to a broad range of activities for integrating economic and social goals in the pursuit of community well-being' (Gray et al. 2003, p. 152). Therefore, social enterprise should be seen as a complement to, rather than a replacement for, government involvement in social service provision and structural change. However, Germak and Singh (2010) observe that the practice of SE is not currently an area of interest and expertise for most social workers. They recognise the continuing funding crisis in the non-profit sector coupled with the increasing demand for services among clients, and the tremendous need for creative solutions to today's pressing social challenges. Therefore, they call upon social workers to stand up and embrace the straightforward business sense found in SE; a hybrid of social work macro-practice principles and business innovation activities. This discussion leads

us to our understanding that social work practice and SE, combined together, could potentially emerge as an effective tool to solve the world's complex social problems innovatively.

2.3 Critical Review of Social Entrepreneurship Literature

For theory development, an understanding of all the relevant constructs involved in SE and methodological issues is very important. Recognising the importance of this phase of theory development, I have categorised the entire review of literature on SE into two parts: first 'content' and second 'methodological review'.

2.3.1 Content

I have mentioned that SE is a combination of 'social mission' and 'entrepreneurship'. Therefore, a review of the contents of SE literature is further divided into two subparts: first, the 'social element' and second, the 'entrepreneurial elements'. The relevant literature under each of these elements is discussed separately.

2.3.1.1 The Social Element

I observed across the literature that despite the diverse range of usage of the term 'social entrepreneurship', there has been consensus on its central issue of social mission or social value creation (Dees 1998; Dees et al. 2001; Austin et al. 2006a, b; Dorado 2006; Elkington and Hartigan 2008). Opportunities are sought to solve social problems or to meet social needs, thereby creating social change (Seelos and Mair 2005b; Mair and Marti 2006; Neck et al. 2008; Elkington and Hartigan 2008). Social entrepreneurs are recognised as change agents in the social sector (Dees 1998; Dees et al. 2001; Nicholls 2006; Elkington and Hartigan 2008). They are change agents in the sense that they aim at systematic solutions to societal problems. Social entrepreneurs have created models for efficiently catering to basic human needs that existing markets and institutions have failed to satisfy, and directly contributed to sustainable development (SD) goals Seelos and Mair 2005a).

It has been found that in achieving the goal of creating social change, social enterprises often face resistance from the broader community. For social entrepreneurs who seek to change the existing community practices, the difficulties in building legitimacy may pose a challenge that compromises their ability to create sustainable institutional change. In this context, case studies of social enterprises reveal that rhetorical strategy aims to overcome this barrier (Ruebottom 2011). The findings of this study suggest that the rhetorical strategy used by these enterprises casts the organisation as a protagonist and those that challenge the change as antagonists.

The rhetorical strategy weaves together these protagonist and antagonist themes to create tension and persuade the audience of the organisation's legitimacy. This study throws light on a social entrepreneur's strategy to persuade the audience for gaining the organisation's legitimacy in order to achieve the goal of social change. However, little effort is devoted to studying the *process* through which social value gets created in SE to include questions such as how they achieve their social mission and whether the particular form and governance of social enterprise has an effect on social value creation. Further research is needed on these issues. The biggest challenge, however, is that the existing literature on SE does not clearly conceptualise 'social value'. The understanding of the 'value' that social entrepreneurs bring to society remains fuzzy and perhaps even controversial (Auerswald 2009). Therefore, there is a need to develop a clear conceptual understanding of 'social value' in SE.

Of all the aspects, social mission is one of the most important criteria used to distinguish SE from commercial entrepreneurship (Dees 1998; Austin et al. 2006a, b; Dorado 2006; Neck et al. 2008; Trivedi and Stokols 2011; Gras and Lumpkin 2012). For example, Austin et al. (2006a, b) conceptualised SE as 'innovative activities' that create social value within or across government, business or non-profit sectors. They differentiated SE from commercial entrepreneurship based on four dimensions:

- Market failure: opportunity difference due to market failure.
- Mission: creating social value through asocial mission is essential to SE, while private gains are primarily the purpose of commercial entrepreneurship. This mission difference results in differences in management, motivation and tension between social and commercial activities.
- Resource mobilisation: use of different approaches in mobilising or managing financial and human resources. Social entrepreneurs rely more upon a range of funding sources including individual contributions, foundation grants, membership dues, user fees and government payments.
- Performance measurement: in commercial entrepreneurship, performance is typically measured in terms of financial performance, but performance measures for SE are less standardised and more idiosyncratic to the particular organisation. Performance measurement in social ventures complicates accountability and stakeholder relations.

These differences provide conceptual clarity on SE and based on these differences, the authors modified existing people, context, deal and opportunities (PCDO) framework of commercial entrepreneurship and proposed the 'social entrepreneurship framework', in which the centrality of social value creation and contextual factors (demographics, political and socio-cultural factors) have been emphasised.

Similarly, Dorado (2006) compared entrepreneurial ventures (EVs) and social entrepreneurial ventures (SEVs) based on three variables—opportunity definition, resource leverages and organisation building. She found that EVs and SEVs have many differences and therefore, suggested the addition of bridging profits and services to the list of factors that define the entrepreneurship process. Thus, SE

includes social purpose business ventures and enterprising non-profits. It was also observed that social entrepreneurs faced some distinctive challenges of the 'double bottom line' in the mission (Dees 1998). Inclusion of both, the commercial and social dimensions, could be a source of tension (Austin et al. 2006a, b). Social enterprises that blend the social and economic goals have the potential risk of 'mission drift' (Dorado 2006). In SE, the social mission is not overshadowed by profit maximisation (Mair and Marti 2006).

Trivedi and Stokols (2011) distinguished between social enterprises and commercial enterprises on these dimensions: (i) the purpose of 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. Due to these differences, most of the findings on entrepreneurship may not be applicable to SE, and rigorous research is needed on SEVs separately, as emphasised by Dorado (2006).

In addition, the assessment of social impact that a social entrepreneur creates in a society is important for everyone, for the social entrepreneur himself/herself as well as the donor, funding agencies or grant makers. However, the measurement of effectiveness of these models is an issue of research (Piela 2009). In this context, it is unclear which timescales for social measurement are most appropriate (Nicholls 2005). Further, the contextual differences and different working strategies of entrepreneurs make it more complex to develop a standardised tool to assess the impact that social entrepreneurs create in the society. This is the reason that a comparable standard for social impact accounting does not yet exist (Clark et al. 2003). In addition, there are different and contradictory views on the issue of methods/tools used for the assessment of social impact. A few such as the founder of the Robert Enterprise Development Fund (REDF),[1] who created the 'Social Return on Investment' (SROI) framework for quantifying and monetising social value creation, mentioned that the social impact of social enterprises could be fully measured quantitatively. On the other hand, some researchers believe that only numbers are not sufficient to capture the impact of social enterprises (Ashoka 2006; Achleitner et al. 2009). For this reason, they suggest the use of qualitative methods of data collection such as interviews, case studies and observation for an in-depth understanding of social impact. Though it is possible to measure some of the outcomes with numbers, many long-term effects need to be measured qualitatively. The review of literature shows that though several methods (both qualitative and quantitative) of social impact assessment are available, there is a lack of an integrated, simple and practical method of evaluation/assessment of impact that social entrepreneurs create in the society. It is also not clear from the literature whether social entrepreneurs measure the impact or social value created by them, and if they measure, how they do so.

---

[1]www.redf.org.

2.3.1.2　Entrepreneurial Elements

It has been found in the literature on SE that social entrepreneurs use a number of entrepreneurial activities such as opportunity identification, innovation in order to achieve their social mission (Nicholls 2006). The entrepreneurial elements included in existing SE literature are discussed below:

(a) Opportunity Identification and Exploitation A large majority of the literature on SE—conceptual as well as empirical—focuses on opportunities for social mission (Dees et al. 2001; Hockerts 2006; Austin et al. 2006a, b; Elkington and Hartigan 2008; Zahra et al. 2008; Corner and Ho 2010). This discussion includes sources of opportunities, globalisation of social opportunities, types of social entrepreneurs (based on the differences in how they discover the opportunities) (Zahra et al. 2009), difference between SE and commercial entrepreneurship (Austin et al. 2006a, b) and empirical examination of the ways in which opportunities develop in SE (Corner and Ho 2010).

The three sources of entrepreneurial opportunities in social purpose business ventures are activism, self-help and philanthropy (Hockerts 2006). These opportunities are available in a variety of sectors such as demographic, financial, nutritional, resources, environmental, health, gender, educational, digital and security (Elkington and Hartigan 2008). Explaining the nature of opportunities in SE, Zahra et al. (2008) mention that social opportunities are global in nature and the multiplicity of five attributes of the behavioural theory of the firm—prevalence, relevance, urgency, accessibility and radicalness—highlights the complexity of social entrepreneurs' decision-making processes and helps define social opportunities and the emergence of social enterprises, especially in the international context.

Taking theoretical inspiration from two contrasting theories of entrepreneurship —'rational'/'economic' and 'effectuation'—the findings of empirical examination about how opportunities develop in SE suggest that theory building for SE should consider the 'collective entrepreneur' (opportunities are developed by multiple actors) rather than individual entrepreneur. This is a more complex and messy process as compared to commercial entrepreneurship. In contrast to commercial entrepreneurship, SE is a mix of effectuation and rational/economic elements (Corner and Ho 2010). According to this 'rational'/'economic' approach, the entrepreneur addressing a social issue begins with a desired outcome in mind, a particular kind of social enterprise, and then assembles the resources necessary to achieve that particular outcome. This 'rational'/'economic' view is reflected perfectly in the SE literature when scholars question if opportunities are found. This is because 'found' or 'discovered' opportunities exist independently of prospective entrepreneurs who are waiting to be noticed and exploited. The 'rational'/'economic' (Alvarez and Barney 2007) view sees opportunities as objective phenomena with an existence independent of human perception waiting to be discovered or noticed by alert individuals. On the other hand, more recently, 'effectuation' (Sarasvathy 2001) emerged as an alternative to the 'rational'/'economic' model, which considers entrepreneurship as a series of decisions made in the absence of any structure that would make normative techniques possible, decisions such as

how and who to hire for an organisation that does not yet exist. According to the 'effectuation' approach, an entrepreneur begins not with a precise product, service or venture in mind, but with a set of means that can be used to address a good idea, and these means are idiosyncratic to the entrepreneur and encompass his or her skills, resources and people who could help address the area of interest.

Recognising the differences in how social entrepreneurs discover opportunities (search processes), view their missions, acquire resources and address social ills, Zahra et al. (2009) identified three types of social entrepreneurs. First, 'Social Bricoleurs' usually focus on discovering and addressing small-scale local social needs. Second, 'Social Constructionists' typically exploit opportunities and market failures by filling gaps to underserved clients in order to introduce reforms and innovations to the broader social system. Third, 'Social Engineers' recognise systemic problems within existing social structures and address them by introducing revolutionary change. Kitzi (2001) believed that opportunity recognition is a skill, not a character trait and the ability to recognise and then pursue opportunities is a critical skill for success in the world of non-profit organisations. However, the study of Weerawardena and Mort (2006) does not identify opportunity recognition as a distinct dimension of the SE construct because it is embedded in the sustainability dimension. Due to this contradictory finding, further research is sought for clarification on this issue.

(b) Resource Mobilisation Not only opportunity identification, resource mobilisation is also an area which has gained the attention of scholars in SE. Mobilising resources is not only about building cash or assets, but it is also about building capabilities to deliver on the mission (Dees et al. 2001). Several studies (Meyskens et al. 2010; Domenico et al. 2010; Desa 2011) have been done to explore resource mobilisation in SE. In an attempt to build theory in SE, Domenico et al. (2010) identified three more constructs—social value creation, stakeholder participation and persuasion—in their study of how social entrepreneurs acquire resources in a resource-scare environment, apart from finding three key constructs of theory of 'bricolage', i.e. making do, a refusal to be constrained by limitations and improvisation. Based on the findings of the study, they proposed an extended theoretical framework of 'Social Bricolage' for SE, which is distinct from other forms of 'bricolage'. In this way, 'Social Bricolage is a process that involves making do, the refusal to be constrained by limitations, improvisation, social value creation, stakeholder participation and persuasion' (p. 698). Though, a few previous studies, such as the study done by Zahra et al. (2009), have also adopted this theoretical lens to study SE, but in their study, bricolage was just among one of the other theories used in the study. In a multilevel mixed methodology and institutional theory-based study in the context of international entrepreneurship (Desa 2011), it has been found that social entrepreneurs confronted with institutional constraints engage in bricolage to reconfigure existing resources at hand. In the process, bricolage can act as a legitimating mechanism for institutional change. In other words, resource mobilisation through bricolage acts as a process of legitimation, which allows the social venture to gain access to institutional support. Meyskens et al. (2010) used resource-based view (RBV) perspective from commercial entrepreneurship to study

social ventures and found that social entrepreneurs rely on resources as part of their value creation process. Statistically significant relationships were found among measures of partnerships, financial capital, innovativeness, organisational structure and knowledge transferability. These findings suggest that social entrepreneurs, when viewed through a resource-based lens, demonstrate similar internal operational processes in utilising resource bundles as commercial entrepreneurs.

Literature on SE (Korosec and Berman 2006; Wei-Skillern et al. 2007; Domenico et al. 2009) emphasised the importance of partnership and collaboration for access of resources in the process of social value creation. Here, it is important to distinguish between what something is (a partnership) and what one does (collaborate or to work together in a joined-up way). Carnwell and Carson (no date) defined a 'partnership' as 'a shared commitment, where all partners have a right and an obligation to participate and will be affected equally by the benefits and disadvantages arising from the partnership' (p. 7), and mentioned that a common language of 'working together' and 'breaking down barriers' draws together the two concepts of partnership and collaboration. Similar to partnership and collaboration, social capital (Hasan 2005; Onyx and Leonard 2010; Westlund and Gawell 2012) has also been emphasised for resource mobilisation in SE.

It has been observed that different theoretical lenses have been used to study resource mobilisation in SE. These are the theory of bricolage, institutional theory and RBV. In addition, an opportunity-focused research has been going on in SE; the theory of 'effectuation' has been used in the context of resource mobilisation in SE (Corner and Ho 2010). It is concluded that though a variety of theoretical perspectives have been used to study the same component of SE, the number of empirical studies is so limited in this emergent field that saturation in findings hardly appears in SE research. Each perspective highlights some new and important aspect of SE.

(c) Innovation The review of literature showed that despite being recognised as the important entrepreneurial elements of SE, little effort has been devoted to study innovation. Innovation is a tool, through which entrepreneur exploit opportunity (Drucker 1986). It is observed that in most of the definitions of SE (Dees 1998; Dees et al. 2001; Mair and Marti 2006; Austin et al. 2006a, b; www.skollfoundation.org; www.ashoka.org; Weerawardena and Mort 2006; Elkington and Hartigan 2008) also include innovation to create social value in the SE process. However, a few studies are available as exceptions; for example, the study done by Koc and Yavuz (no date) on relationship between entrepreneurial competencies and innovative behaviours of social entrepreneurs, in which they found that there is high-rated linear and positive correlation between entrepreneurial competencies and individual innovative behaviours. In addition, high education level and having someone with experience in the SE field in the family affects individuals positively to become a social entrepreneur, but more effort is needed to build a SE-related innovation theory (Short et al. 2009). Social entrepreneurs show entrepreneurial behaviour (Dees 1998), but it is not clear from the literature whether innovative idea is essential for social entrepreneurs to create social value, or it can be created with

existing and old ideas too. Further clarification is required on the importance of the use of innovation in the SE process.

(d) Risk-Taking Similarly, risk in SE emerged as also an underexplored area of research. Though initially, it has not been recognised as important aspect of SE, but the notion of risk has been included in SE by many scholars (Brinckerhoff 2000; Dees et al. 2001; Mort et al. 2003; Weerawardena and Mort 2006; Elkington and Hartigan 2008). Research on understanding risk in the context of SE is still lacking in the current literature. However, few studies captured the risk avenue of social entrepreneurs. As contrast to entrepreneurs of for-profit sector, Weerawardena and Mort (2006) found that social entrepreneurs' behaviour in regard to risk is highly constrained by their primary objective of building a sustainable organisation. They are highly oriented towards effective risk management in sustaining the organisation. 'An empirical examination of the risk tendencies of social entrepreneurs could shed light on the SE phenomena and potential highlight whether differences exist in the risk propensities of social and commercial entrepreneurs' (Short et al. 2009, p. 177). On the other hand, contradictory to this finding, Vasakarla (2008) found that social entrepreneurs are high-risk takers. Due to this contradiction in SE risk-related finding, I suggest further exploration of risk tendencies of social entrepreneurs.

(e) Context In SE research, the importance of 'context' has been emphasised by scholars (Mair and Marti 2006; Austin et al. 2006a, b; Weerawardena and Mort 2006; Dorado 2006; Trivedi 2010). SE is a process resulting from the continuous interaction between social entrepreneurs and the context in which they and their activities are embedded (Mair and Marti 2006). Therefore, in the social sector, contextual factors (the macro-economy, tax and regulatory factors and the sociopolitical environment) are equally important as those in the commercial sector (Austin et al. 2006a, b). In the multidimensional model of SE, social value creation is constrained by three factors—desire to achieve the social mission and the need to build a sustainable organisation and concurrent requirements of the environment or environmental dynamics (Weerawardena and Mort 2006). It has been observed that little exploration has been done to study various contextual factors, which influence SE, such as the nature of these contextual factors and how they influence the process of SE. However, few recent studies focused on exploring the effect of contextual or environmental factors on SE. For example, Urbano et al. (2010) analysed how these factors affect both the emergence and the implementation of SE in the highly entrepreneurial Spanish region of Catalonia and found that both informal (social values, entrepreneurial and social attitudes, and social network) and formal institutions (support mechanisms) are important to the generation of SE in Catalonia, but informal institutions have greater importance than formal institutions due to the fact that they affect not only the implementation of SE, but also their emergence. Hill et al. (2010) also observed a neglected aspect of social context that frames the process and contextual path-dependent dynamics that guide its evolution in the review of SE literature. Seelos et al. (2010) provided a framework for understanding how differences in local institutional contexts might influence SE initiatives. In the context of entrepreneurship too, several scholars (Thorton 1999;

Zafirovski 1999) emphasised on sociological theories or frameworks to understand entrepreneurship. However, until recently the supply-side perspective, which focuses on the individual traits of entrepreneurs, has been the dominant school of research, and newer work from the demand-side perspective has focused on the context in which entrepreneurship occurs (Thorton 1999).

(f) *Capabilities of Social Entrepreneurs and 'Capability Approach'* Different from these approaches, Yujuico (2008) proposes Sen's 'capability approach' as a unifying theoretical framework in comprehending the concept of SE. Rather than trait or characteristic, the capabilities of a social entrepreneur are emphasised, and it is mentioned that the capability approach is useful in evaluating and then linking the causal, motivational, behavioural and directive dimensions of SE. According to Sen, 'ultimately, what is important is not so much a matter of having but rather what one is capable of being or doing (capabilities) and actually being or doing (functioning)' (as cited in Yujuico 2008, p. 500). Yujuico (2008) mentions that social entrepreneurs may utilise five capitals—natural, human, social, physical and financial—to create social value. Social entrepreneurs engage in bricolage, i.e. making the best of available resources by combining them in novel ways to solve the problems. Their creativity comes into play, when they combine these resources —natural, human, social, physical and financial—to address social problems (ibid.).

The available evidence from exemplary social entrepreneurs also suggests that success depends less upon personality than it does on teachable skills, such as the ability to activate the public, raise capital, negotiate results and manage the difficult transitions involved in taking an organisation from its initial start-up phase to maturity (Light 2006). Emphasising the importance of social entrepreneurs' capability and creativity in mobilising resources, Dees (2001) also mentioned that social entrepreneurs must be able to do more with less, and persuade others to provide resources on favourable terms. Money is only a means to an end. It is only a tool that helps social entrepreneurs develop the capabilities needed to create social value, the heart of the social mission. These social value-producing capabilities are a function of many factors. A few of the intangible factors needed for success are skills, relationships, knowledge, integrity and reputations. Every social entrepreneur starts with a stock of intangible resources, such as an idea, relevant knowledge, experience, relationships, reputation, passion and commitment. These resources are used to attract money and other resources are needed to start the venture. Money can help in attracting people with skills, knowledge, reputations and relationships, but it cannot ensure effective and creative employment of human capital. A shared commitment to social mission can be much more important than the money in motivating the team to produce desired results. Though Yujuico (2008) proposed the 'capabilities approach' for SE, it has limited application in understanding the capabilities of social entrepreneurs.

In the context of disadvantaged and marginalised people, Sen (2008a, b, 2010) mentioned that capability is more about freedom to achieve their well-being. Sen (2010) viewed 'development' as an expansion of real freedom that people enjoy and 'capability' also reflects a kind of freedom. However, often this freedom is constrained for some people due to socially imposed constraints or by circumstances.

It restricts their access to basic entitlements available in different spaces, such as political (in the form of free speech and election), economic (in the form of opportunity to participate in trade and production), social (in the form of education and health facilities). Each of these types of freedom helps to advance the general capability of a person. They are interconnected with one another and complement each other (ibid.). In this sense, social entrepreneurs work for social well-being by helping marginalised or disadvantaged people enhance their capabilities so that they can access their basic rights or entitlements (such as health and education) in different spaces and thus contribute to human development. The impact on beneficiaries can be evaluated in terms of changes in their capabilities and access to their basic rights to live. In fact, Nussbaum's list of capabilities is well suited for a more comprehensive evaluative framework (Ziegler 2010). Ansari et al. (2012) have already used Amartya Sen's capability approach, along with social capital to develop the framework for understanding the societal impact of business-driven ventures in the bottom of the pyramid (BoP) and empowering BoP communities through these ventures. They argued that any business initiative in the BoP ought to be evaluated on the basis of whether it advances capability transfer and retention by (a) enhancing the social capital between a particular community and other more resource-rich networks and (b) preserving the existing social capital in the community. Thus, the capability approach (Sen 2010) is very useful in the context of beneficiaries, but not in the context of social entrepreneurs. Ziegler (2010) mentioned that capability combinations for beneficiaries do not just happen; they have to be established, but 'One weakness of the capability approach as an explanatory approach is the often-limited attention to actors of human development' (Ziegler 2010, p. 267). It is not sufficient to explain the capabilities of social entrepreneurs (actors), with which they establish different capability combinations for people, so that they can access their basic entitlements or rights.

The literature shows that little effort has been made to examine the capabilities of social entrepreneurs empirically. However, articles of some of the scholars provide information on needed capabilities for social entrepreneurs indirectly. Even, funders want to invest in social entrepreneurs, who have demonstrated the ability to create change and possess other important factors such as financial, strategic, managerial and innovative abilities (Kramer 2005). Similar observation was made by Miller and Wesley (2010). They found that social sector criteria—social mission of the organisation, social entrepreneurs' passion for social change and community-based social network—are important predictors of the probability of venture effectiveness as judged by social venture capitalists. Among entrepreneurial sector criteria, the venture's innovative capabilities, the business/management experience of the entrepreneur, the education level of the social entrepreneur and the methodology used to measure the social venture's performance are included because these are strongly associated with the probability of venture effectiveness in view of social venture capitalists. However, the funders' perspective cannot be the basis of making a list of needed capabilities for social entrepreneurs, but it reflects on the capabilities needed to perform both the functions—achievement of social mission and entrepreneurial functions.

Throughout the literature review, I observed that the SE literature has generally focused on the individual entrepreneur or the founding entrepreneurs and ignored the contribution of the entrepreneurial team or others in the success of the organisation, although some scholars (Peredo and McLean 2006; Sharir and Lerner 2006; Corner and Ho 2010) emphasised the group potential of SE. Peredo and McLean (2006) developed the definition of SE based on CBE. One of the examples of CBE is Mondragon Corporation Cooperative in Spain (Morrison 1991; Clamp and Alhamis 2010), where SE is not the sole domain of the individual but represents a team or a group of people or collective effort. Haugh (2007) also studied the process of community-led non-profit social venture creation and found five critical stages in this process, which were opportunity identification, idea articulation, idea ownership, stakeholder mobilisation, opportunity exploitation and stakeholder reflection. Maclean et al. (2012) highlighted the importance of community engagement on the part of social innovators, and the power of self-organisation by actors committed to the locality in their study. Corner and Ho (2010) also found a collective action pattern in their study of social enterprises and suggested that the individual entrepreneur as the sole developer of opportunities needs to be questioned seriously in future research, and the focus of SE should be broadened while building theory to include collective entrepreneurship.

I also identified a clear shift from the 'great man approach' (Dees 1998), 'trait-based approach' (Bornstein 2005) and 'leadership approach' (Leadbeater 1997) to a behaviour-based approach (Mort et al. 2003; Weerawardena and Mort 2006; Zahra et al. 2008; Murphy and Coombes 2009) in SE research. The approaches of 'trait', 'great man' and 'leadership' focus on traits and personality characteristic/qualities of social entrepreneurs, and the presented social entrepreneur is different from the common man. On the other hand, the 'behavioural approach' focuses on the process of creation of the organisation (social enterprise) by a social entrepreneur to achieve his/her social mission. Here, importance is given to the organisation (social enterprise) created by social entrepreneur. However, it has often been found that social entrepreneurs do not even need any organisation to serve their social mission. As a contrast to the traditional entrepreneur, the motivation of the social entrepreneur is not the creation of an organisation, but the creation of a path defined so that participants can alleviate a complex social problem (Dorado 2006), because creating social change is the most important goal for the social entrepreneurs. Martin and Osberg have clearly mentioned, 'Social activists may or may not create ventures or organisations to advance the changes they seek' (2007, p. 38).

2.3.2 Methodological Issues

In SE research, conceptual papers dominate and empirical articles are largely reliant on the case study method with poor construct measurement; this provides further evidence that the field of SE is still in an embryonic state (Short et al. 2009). Like

any other emergent field of research, the field of SE also does not have any clear theory of its own, and 'Social entrepreneurship research is still in search of compelling theoretical foundations' (Nicholls and Cho 2006, p. 115). Nicholls (2010) conceptualised SE as a field of action that lacks an established epistemology. Following Khun, he mentioned that it is currently in a pre-paradigmatic state, and it has yet to achieve its legitimacy as a domain, and suggests that the paradigm of SE can only establish its legitimacy by means of further academic work focused on rigorous theory building and careful empirical testing.

2.3.2.1 Using Case Studies and Grounded Theory Approaches, or Borrowing Theories from Other Disciplines

I have observed that due to the lack of its own theory, most of the researchers have used either case studies and grounded theory approaches (Weerawardena and Mort 2006; Brouard et al. 2008) towards developing a new theory, or borrowed theoretical framework from other disciplines and applied, modified and extended it (Austin et al. 2006a, b; Tracey and Jarvis 2007; Domenico et al. 2010; Corner and Ho 2010) in the context of SE research. For example, two main theories, 'resource scarcity theory' and 'agency theory', used to understand business format franchising have been used in the context of social ventures, leading to the development of a new theory of social venture franchising, showing how the success factors for social venture franchises are both similar to and different from business franchises (Tracey and Jarvis 2007).

A wide range of theoretical approaches have been used in the field of SE. Some of these are institutional theory (Dart 2004; Nicholls 2010; Desa 2011; Ruebottom 2011), structuration theory, social capital (Hasan 2005) and social movements (Mair and Marti 2006), and social network theory (Peredo and Chrisman 2006), communitarian perspective (Ridley-Duff 2007), institutional perspective (Urbano et al. 2010), dynamical social psychology (Praszkier et al. 2010), bricolage (Zahra et al. 2009; Domenico et al. 2010), theoretical inspiration from the work of Hayak, Kirzer and Schumpeter (Zahra et al. 2009), capability approach (Yujuico 2008), Competency approach (Koc and Yavuz no date), behavioural theory (Zahra et al. 2008), entrepreneurship as a process, focusing on opportunity identification (Hockerts 2006), PCDO (the people, the context, the deal and the opportunity) framework (Austin et al. 2006a, b), entrepreneurship as a process of creating new organisation (Dorado 2006), rational economic and effectuation theory (Corner and Ho 2010), organisational identity theory (Miller and Wesley 2010; Moss et al. 2010), resource scarcity theory and agency theory (Tracey and Jarvis 2007), RBV (Meyskens et al. 2010), building legitimacy through rhetoric (Ruebottom 2011). In SE research, the role of embbeddedness has been emphasised (Mair and Marti 2006; Peredo and Chrisman 2006; Kistruck and Beamish 2010).

Earlier, it was observed by Short et al. (2009) that management theories were absent from SE research. However, in recent years a lot of entrepreneurship theories and management theories have been used in SE research, such as the use of

'resource-based view' in the study of Meyskens et al. (2010). Short et al. (2009) also identified the absence of empirical study examining directly the EO in SE. This research gap in SE is bridged by a recent quantitative study of dual identities of social ventures (for-profit as well as not-for-profit) conducted by Moss et al. (2010), in which five EO dimensions (autonomy, competitive aggressiveness, innovativeness, proactiveness and risk-taking) have been used to analyse mission statements of the sample of FastCompany and Skoll ventures to determine the extent to which the ventures manifest a utilitarian or entrepreneurial identity. The findings demonstrate that these externally recognised social ventures do exhibit dual identities—a utilitarian organisational identity (i.e. entrepreneurial and product-oriented) and a normative organisational identity (i.e. social and people-oriented). Further, when compared with the mission statements of other high-performing entrepreneurial enterprises culled from the Inc. 500, the post hoc analysis suggests that social ventures manifest a greater normative identity and an equivalent utilitarian identity.

The above discussion reflects that a lot of established theories of entrepreneurship (borrowed from multidisciplines) have been used in the research of SE, which has provided valuable insights on the topic.

2.3.2.2 Lack of Large Sample Empirical Studies

I observed that SE research lacks large sample empirical study, except a few quantitative studies (Meyskens et al. 2010; Miller and Wesley 2010; Moss et al. 2010). Though the case studies are valuable, particularly, in developing and refining theory in the early stages of inquiry (Eisenhardt 1989), the development of hypotheses and testing with a large sample is necessary for the development and maturity of the field of SE (Short et al. 2009).

2.3.2.3 Using Multilevel Mixed Methods

However, in the recent few initiatives, researchers (Neck et al. 2008; Brouard et al. 2008; Desa 2011) have used multilevel mixed methods in their studies. They first used the grounded theory approach to develop hypotheses and then tested these hypotheses with a quantitative method with a structured questionnaire or with qualitative methods.

2.3.2.4 Developing Typology for Theory Building in Social Entrepreneurship

The literature reflects that the development of typology has also been identified as an important step towards theory building in SE. Following this root, a lot of typologies have been developed by scholars (Brouard et al. 2008; Neck et al. 2008; Zahra et al. 2009) in SE research. However, it has been observed that different

scholars developed typologies based on different dimensions for social entrepreneurs or the organisations created by them. For example, on the one hand, Brouard et al. (2008) identified three major dimensions of typology: (a) extent of financial self-sufficiency, (b) extent of innovation and (c) extent of social transformation, and developed different types of social enterprises. They mentioned that social enterprises may be either high or low in each dimension. Neck et al. (2008) developed a typology of EVs based on two dimensions: the social mission and the outcome (primary market impact). They categorised all the EVs into five categories: first, social purpose venture (founded on the premise that social problems will be solved, but the venture is for-profit and the impact on the market is typically perceived as economic); second, traditional ventures (focused primarily on the economic mission and the economic impact); third, social consequence ventures (similar to traditional ventures, except that many of their practices have social outcomes, for example CSR); and fourth, enterprising non-profits (focus on growth and economic sustainability, include earned income strategies of non-profits and may be funded by venture philanthropists). Finally, the hybrid form, which has a combination of behaviours and characteristics found in more than one type, can also be used. On the other hand, Zahra et al. (2009) identified three types of social entrepreneurs, based on how they discover opportunities. The identified typology is: first, 'Social Bricoleurs', second, 'Social Constructionists' and third, 'Social Engineers' (these typologies have already been described in the previous section).

In the context of methodology, I argue that before advancing towards theory building or hypotheses testing with a large sample in a quantitative study for the maturity of the field of SE, it is necessary to check whether all the elements of SE have been well researched and included in the construct at the preliminary stage itself for the purpose of theory development or hypotheses development. SE is a context-based phenomenon. 'Context' is one of the most important elements in SE, which influences SE greatly. Though scholars have emphasised its importance in SE, but the literature shows that little attention has been given to empirical examination of contextual factors in the study of SE. For the empirical examination of context-based phenomenon in an emergent field, case study is a useful tool for theory development at the initial stage.

2.4 Summary of Review of Literature and Research Gaps

I conclude that SE has attracted the attention of researchers because of its ability to create new solutions to societal problems. Social entrepreneurs are recognised as agents of change, because they create social value and bring about social change while solving social problems. The review of literature reflects the existence of conceptual differences in the SE literature. However, there is consensus on its primary focus of social mission and social value creation. SE is a combination of entrepreneurship and social mission, because social entrepreneurs exhibit entrepreneurial behaviour (innovativeness, opportunity exploitation and resource

mobilisation) to create social value and bring about social change within a context. Most of the previous research has been mostly focused on opportunity identification and exploitation, and resource mobilisation. The study of innovation has been ignored in the existing SE research. The literature also does not clarify whether the entrepreneurial element 'innovation' is essential to create social value in SE, or social value can be created with the existing and older approaches too. It also shows that the current literature lacks the understanding of risk in the context of SE. Though the importance of 'context' has been emphasised by the scholars, little exploration has been done to study the contextual factor, which influences SE, for example: what are the contextual factors and how they influence the process of SE? Similarly, the capability of the social entrepreneur has been emphasised in the process of social value creation, but the literature shows that there is lack of empirical studies on the capabilities of social entrepreneurs. At the same time, the need for considering the contribution of collective actors, team or group in the process of social value creation has been emphasised in the SE literature. Few studies have focused on the collective efforts in SE. The most striking is that despite being recognised as a primary objective of SE, little effort has been devoted to study social value creation in SE, in particular, the process of creating social value in SE: how do social entrepreneurs achieve social mission? Does the particular form and governance of social enterprise have an effect on social value creation? Little is known about how social entrepreneurs create social value. In fact, the concept of social value itself is not clear in SE literature. Many of the questions related to social value creation remain unanswered. The critique of SE literature and the identified research gaps helped me in framing my research questions (Chap. 1, Introduction) and address the gap in the existing literature on SE. Other above-mentioned research gaps provide future scope for studies in SE.

References

Achleitner A, Bassen A, Roder B (2009) An integrative framework for reporting in social entrepreneurship. http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1325700.& http://www.google.co.in/url?sa=t&rct=j&q=achleitner%2Ca%2C. Accessed 14 Aug 2010

Alter SK (2006) Social enterprise models and their mission and money relationships. In: Nicholls A (ed) Social entrepreneurship: new models of sustainable change. Oxford, New York, pp 205–232

Alter K (2007) Social enterprise typology. http://www.virtueventures.com/setypology.pdf. Accessed 19 March 2009

Alvarez S, Barney JB (2007) Discovery and creation: alternative theories of entrepreneurial action. Strat Entrep J 1(1):11–26

Alvord SH, Brown LD, Letts CW (2004) Social entrepreneurship and societal transformation: an exploratory study. J Appl Behav Sci 40(3):260–282

Ansari S, Munir K, Gregg T (2012) Impact at the 'Bottom of the Pyramid': the role of social capital in capability development and community empowerment. J Manag Stud 49(4):813–842

Ashoka (2006). Measuring effectiveness: a six year summary of methodology and findings. http://www.ashoka.org/files/ME_Impact06.pdf. Accessed 14 Aug 2010

Auerswald P (2009) Creating social value. Stanford Social Innovation Review, Spring, pp 49–55. http://www.marquette.edu/social-innovation/documents/CreatingSocialValue.pdf. Accessed 13 Dec 2014

Austin JA, Stevenson H, Wei-Skillern J (2006a) Social and commercial entrepreneurship: same, different, or both? Entrep Theory Practice 30(1):1–22

Austin JE, Leonard HB, Reficco E et al (2006b) Social entrepreneurship: it is for corporations, too. In Nicholls A (ed) Social entrepreneurship: new models of sustainable change. Oxford, New York, pp 169–180

Bornstein D (2005) How to change the world: social entrepreneurs and the power of new ideas. Penguin Books, New Delhi

Boschee J (2006) Social entrepreneurship: the promise and the perils. In: Nicholls A (ed) Social entrepreneurship: new models of sustainable change. Oxford, New York, pp 356–390

Boschee J, McClurg J (2003) Towards a better understanding of social entrepreneurship: some important distinctions. Institute of Social Entrepreneurs, Minnesota, MN. http://www.caledonia.org.uk/papers/Social-Entrepreneurship.pdf. Accessed 13 Dec 2014

Brinckerhoff PC (2000) Social entrepreneurship: the art of mission-based venture development. John Wiley & Sons, New York

Brouard F, Hebb T, Madill J (2008) Development of a social enterprise typology in a Canadian context. Submission for entrep theory practice. Special issue on social entrepreneurship. http://www3.carleton.ca/3ci/3ci_files/Documents/SETypologyPaper.pdf. Accessed 21 Aug 2011

Carnwell R, Carson A (no date) The concepts of partnership and collaboration. http://www.mcgrawhill.co.uk/openup/chapters/0335214371.pdf. Accessed 26 Feb 2012

Chand VS, Misra S (2009) Teachers as educational-social entrepreneurs: the innovation-social entrepreneurship spiral. J Entrep 18(2):219–228

Choi N, Majumdar S (2014) Social entrepreneurship as an essentially contested concept: opening a new avenue for systematic future research. J Bus Venturing 29(3):363–376

Christie MJ, Honig B (2006) Social entrepreneurship: new research findings. J World Bus 41:1–5

Clamp CA, Alhamis I (2010) Social entrepreneurship in the Mondragon Co-operative Corporation and the challenges of successful replication. J Entrep 9(2):149–177

Clark C, Rosenzweig W, Long D et al (2003) Double bottom line project report: assessing social impact in double bottom line ventures-method catalog. http://www.riseproject.org/DBL_Methods_Catalog.pdf. Accessed 13 Aug 2010

Corner PD, Ho M (2010) How opportunities develop in social entrepreneurship. Entrep Theory Practice 34(4):635–659

Coulter M (2000) Entrepreneurship in action. Prentice Hall, New Jersey

Cunningham JB, Lischeron J (1991) Defining entrepreneurship. J Small Bus Manag 29:45–61

Dart R (2004) The legitimacy of social enterprise. Non-profit Manag Leadersh 14(4):411–424

Dees JG (1998) The meaning of social entrepreneurship. http://www.fntc.info/files/documents/The%20meaning%20of%20Social%20Entreneurship.pdf. Accessed 20 Oct 2008

Dees JG (2001) Social entrepreneurship: mobilising resources for success. http://www.tgci.com/magazine/Social%20Entrepreneurship.pdf. Accessed 10 Oct 2011

Dees JG, Anderson BB (2003) For-profit social ventures. Int J Entrep Educ, Special Issue on Social Entrepreneurship 2:1–26

Dees JG, Emerson J, Economy P (2001) Enterprisingnonprofits: a toolkit for social entrepreneurs. John Wiley & Sons, New York

Desa G (2011) Resource mobilisation in international social entrepreneurship: bricolage as a mechanism of institutional transformation. Entrep Theory Practice, Jan 1–25. doi:10.1111/j.1540-6520.2010.00430.x

Domenico MD, Tracey P, Haugh H (2009) The dialectic of social exchange: theorizing corporate-social enterprise collaboration. Organ Stud 30(08):887–907

Domenico MD, Haugh H, Tracey P (2010) Social Bricolage: theorizing social value creation in social enterprise. Entrep Theory Practice 34(4):681–703

Dorado S (2006) Social entrepreneurial ventures: different values so different process of creation, no? J Dev Entrep 11(4):319–343

Drucker PF (1986) Innovation and entrepreneurship: practice and principles. East-West Press Pvt Ltd, New Delhi

Eckhardt JT, Shane SA (2003) Opportunities and entrepreneurship. J Manag 29(3):333–349

Eisenhardt K (1989) Building theories from case study research. Acad Manag Rev 14(4): 488–511

Elkington J, Hartigan P (2008) The power of unreasonable people: how social entrepreneurs create markets that change the world. Harvard Business Press, Boston

Gartner WB (1985) A conceptual framework for describing the phenomenon of new venture creation. Acad Manag Rev 10(4):696–706

Gartner WB (1988) "Who is an entrepreneur?" is the wrong question. Entrep Theory Practice 13(4):47–68

Germak AJ, Singh KK (2010) Social entrepreneurship: changing the way social workers do business. Adm Social Work 34:79–95

Gras D, Lumpkin GT (2012) Strategic foci in social and commercial entrepreneurship: a comparative analysis. J Social Entrep 3(1):6–23

Gray M, Healy K, Crofts P (2003) Social enterprise: is it the business of social work? Aust Social Work 56(2):141–154

Hasan S (2005) Social capital and social entrepreneurship in Asia: analysing the links. The Asia Pacific J Pub Adm 27(1):1–17

Hasenfeld Y, Gidron B (2005) Understanding multi-purpose hybrid voluntary organisations: the contributions of theories on civil societies, social movements and non-profit organisations. J Civil Society 1(2):97–112

Haugh H (2007) Community-led social venture creation. Entrep Theory Practice 31(2):161–182

Hill TL, Kothari TH, Shea M (2010) Patterns of meaning in the social entrepreneurship literature: a research Platform. J Social Entrep 1(1):5–31

Hockerts K (2006) Entrepreneurial opportunity in social purpose ventures. In: Mair J, Robinson J, Hockerts K (eds), Handbook of Research in Social entrepreneurship. Palgrave, London, pp 142–154. http://www.fntc.info/files/documents/The%20meaning%20of%20Social%20Entrepreneurship.pdf. Accessed 20 Oct 2008

Ireland RD, Webb JW (2007) A cross-disciplinary exploration of entrepreneurship research. J Manag 33(6):891–927

Irwin D (2007) The future for social entrepreneurship and social enterprise. Cobweb Information Ltd., England

John D (2007) Social entrepreneurship in eye health: a sustainable and equitable model. In: Bhargava S (ed) Developmental aspects of entrepreneurship. Response Books (Business books from SAGE), New Delhi, pp 195–210

Johnson S (2000). Literature review on social entrepreneurship. http://www.business.ualberta.ca/ccse/Publications/Publications/Lit.%20Review%20SE%20November%202000.rtf. Accessed 14 July 2008

Kistruck GM, Beamish PW (2010) The interplay of form, structure, and embeddedness in social intrapreneurship. Entrep Theory Practice 735–761. doi:10.1111/j.1540-6520.2010.00371.x

Kitzi J (2001) Recognising and assessing new opportunities. In: Dees JG, Emerson J, Economy P (eds) Enterprising nonprofits: a toolkit for social entrepreneurs. John Wiley & Sons, New York, pp 43–62

Koc O, Yavuz C (no date) How to innovate socially? A study to analyse the relationships between entrepreneurial competencies and innovative behaviours of social entrepreneurs. http://www.ism.lt/bmra/2010/CP%2052%20Koc_Yavuz.pdf. Accessed 25 July 2011

Korosec RL, Berman EM (2006) Municipal support for social entrepreneurship. Pub Adm Rev 66 (3):448–462

Korsgaard S, Anderson AR (2011) Enacting entrepreneurship as social value creation. Int Small Bus J 29(2):135–151

Kramer MR (2005) Measuring innovation: evaluation in the field of social entrepreneurship. Skoll Foundation. http://www.community-wealth.org/_pdfs/articles-publications/social/report-kramer.pdf. Accessed 13 Aug 2010

Leadbeater C (1997) The rise of social entrepreneur. Demos, London

Light PC (2005) Searching social entrepreneurs: who they might be, where they might be, what they do. Paper presented at the annual meetings of the Association for Research on Nonprofit and Voluntary Associations, Nov 17–18. http://wagner.nyu.edu/performance/files/ARNOVApaper.pdf. Accessed 02 Feb 2009

Light PC (2006) Reshaping social entrepreneurship. Stanf Social Innov Rev 4(3):47–51. http://wagner.nyu.edu/performance/files/ReshapingSE.pdf. Accessed 02 Feb 2013

Lumpkin GT, Dees GG (1996) Clarifying the entrepreneurial orientation construct and linking it to performance. Acad Manag Rev 21(1):135–172

Maclean M, Harvey C, Gordon J (2012) Social innovation, social entrepreneurship and the practice of contemporary entrepreneurial philanthropy. Int Small Bus J 1–17. doi:10.1177/0266242612443376

Mair J, Marti I (2006) Social entrepreneurship research: a source of explanation, prediction and delight. J World Bus 41:36–44

Mair J, Noboa E (2003) The emergence of social enterprises and their place in the new organisational landscape. Working Paper, WP No. 523, IESE Business School, University of Navarra. http://www.iese.edu/research/pdfs/DI-0523-E.pdf. Accessed 26 June 2012

Martin M (2004) Surveying social entrepreneurship: toward an empirical analysis of the performance revolution in the social sector. http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1319499. Accessed 14 Feb 2012

Martin RL, Osberg S (2007) Social entrepreneurship: the case for a definition. Stanf Social Innov Rev, Spring 29–39

Meyskens M, Robb-Post C, Stamp JA et al (2010) Social ventures from a resource-based perspective: an exploratory study assessing global Ashoka fellows. Entrep Theory Practice 661–680. doi:10.1111/j.1540-6520.2010.00389.x

Miller TL, Wesley CL (2010) Assessing mission and resources for social change: an organisational identity perspective on social venture capitalists' decision criteria. Entrep Theory Practice 34(4):705–733

Moroz PW, Hindle K (2012) Entrepreneurship as a process: toward harmonising multiple perspectives. Entrep Theory Practice 781–818. doi:10.1111/j.1540-6520.2011.00452.x

Morrison R (1991) We build the road as we travel. New Society Publishers, USA

Mort GS, Weerawardena J, Carnegie K (2003) Social entrepreneurship: towards conceptualisation. Int J Nonprofit Volunt Sector Marketing 8(1):76–88

Moss TW, Short JC, Payne GT et al (2010) Dual identities in social ventures: an exploratory study. Entrep Theory Practice, 1–26. doi:10.1111/j.1540-6520.2010.00372.x

Murphy PJ, Coombes SM (2009) A model of social entrepreneurial discovery. J Bus Ethics 87:325–336

Neck H, Brush C, Allen E (2008) The landscape of social entrepreneurship. Bus Horiz 52:13–19

Nicholls A (2005) Measuring impact in social entrepreneurship: new accountabilities to stakeholders and investors? Working paper, Skoll Centre for Social Entrepreneurship, Said Business School, University of Oxford

Nicholls A (ed) (2006) Social entrepreneurship: new models of sustainable change. Oxford University Press, New York

Nicholls A (2010) The legitimacy of social entrepreneurship: reflexive isomorphism in a pre-paradigmatic field. Entrep Theory Practice 34(4):611–633

Nicholls A, Cho AH (2006) Social entrepreneurship: the structuration of a field. In: Nicholls A (ed) Social entrepreneurship: new models of sustainable change. Oxford University Press, New York, pp 99–118

Onyx J, Leonard R (2010) The conversion of social capital into community development: an intervention in Australia's Outback. Int J Urban Reg Res 34(2):381–397. doi:10.1111/j.1468-2427.2009.00897.x

Peredo AM, Chrisman JJ (2006) Toward a theory of community-based enterprise. Acad Manag Rev 31(2):309–328

Peredo A, McLean M (2006) Social entrepreneurship: a critical review of the concept. J World Bus 41:56–65

Piela J (2009) The definition of social entrepreneurship with special focus on social impact assessment: a literature review. http://www.jonaspiela.com/files/2010/03/jonaspiela_socialentrepreneurship.pdf. Accessed 13 Aug 2010

Prahalad CK (2004) Fortune at the bottom of the pyramid: eradicating poverty through profits. Wharton School Publishing, NJ

Praszkier R, Nowak A, Coleman PT (2010) Social entrepreneurs and constructive change: the wisdom of circumventing conflict. J Peace Psychol 16(2):153–174

Ridley-Duff R (2007) Communitarian perspectives on social enterprise. Corp Gov 15(2):382–392

Ripsas S (1998) Toward an interdisciplinary theory of entrepreneurship. Small Bus Econ 10:103–115

Ruebottom T (2011) The microstructures of rhetorical strategy in social entrepreneurship: building legitimacy through heroes and villains. J Bus Venturing, (Article in Press). http://dx.doi.org/10.1016/j.jbusvent.2011.05.001. Accessed 29 July 2011

Sarason Y, Dean T, Dillard JF (2006) Entrepreneurship as the nexus of individual and opportunity: a structuration view. J Bus Venturing 21:286–305

Sarasvathy SD (2001) Causation and effectuation: toward a theoretical shift from economic inevitability to entrepreneurial contingency. Acad Manag Rev 26(2):243–263

Sarasvathy SD, Dew N, Velamuri R et al (2003) Three views of entrepreneurial opportunity. In: Acs ZJ, Audretsch DB (eds) The international handbook of entrepreneurship. Kluwer Academic Publishers, Dordrecht, pp 141–160

Schumpeter J (1934) The theory of economic development. Harvard University Press, Cambridge

Seelos C, Mair J (2005a) Social entrepreneurship: creating new business models to serve the poor. Bus Horiz 48(3):241–246

Seelos C, Mair J (2005b) Sustainable development: how social entrepreneurs make it happen. Working Paper No. 611, IESE Business School, University of Navarra, Spain. http://www.iese.edu/research/pdfs/DI-0611-E.pdf. Accessed 19 July 2011

Seelos C, Mair J, Battilana J et al (2010) The embeddedness of social entrepreneurship: understanding variations across local communities. Working Paper, WP-858, Spain: IESE Business School-University of Navarra. http://www.iese.edu/research/pdfs/DI-0858-E.pdf. Accessed 05 Feb 2013

Sen A (2008a) Commodities and capabilities. Oxford University Press, New Delhi

Sen A (2008b) Inequality reexamined. Oxford University Press, New Delhi

Sen A (2010) Development as freedom. Oxford University Press, New Delhi

Shane S, Venkataraman N (2000) The promise of entrepreneurship as a field of research. Acad Manag Rev 25(1):217–226

Sharir M, Lerner M (2006) Gauging the success of social ventures initiated by individual social entrepreneurs. J World Bus 41(1):6–20

Short JC, Moss TW, Lumpkin GT (2009) Research in social entrepreneurship: past contributions and future opportunities. Strat Entrep J 3:161–194

Stevenson HH, Jarillo JC (1990) A paradigm of entrepreneurship: entrepreneurial management. Strat Manag J 11:17–27

Tan W, Williams J, Tan T (2005) Defining the 'social' in 'social entrepreneurship': altruism and entrepreneurship. Int Entrep Manag J 1:353–365

Thompson J (2002) The world of the social entrepreneur. Int J Public Sector Manag 15(5):412–431

Thorton PH (1999) The sociology of entrepreneurship. Ann Rev Sociol 25:19–46 Entrep Theory Practice 31(5):667–685

Tracey P, Jarvis O (2007) Toward a theory of social venture franchising. Entrep Theory Practice 31(5):667–685

Trivedi C (2010) Towards a social ecological framework for social entrepreneurship. J Entrep 19(1):63–80

Trivedi C, Stokols D (2011) Social enterprises and corporate enterprises: fundamental differences and defining Features. J Entrep 20(1):1–32

Urbano D, Toledano N, Soriano DR (2010) Analysing social entrepreneurship from an institutional perspective: evidence from Spain. J Social Entrep 1(1):54–69

Vasakarla (2008) A study on social entrepreneurship and the characteristics of social entrepreneurs. ICFAI J Manag Res 7(4):32–40

Venkataraman S (1997) The distinctive domain of entrepreneurship research: an editor's perspective. In: Katz J, Brockhaus R (eds) Advances in entrepreneurship, firm emergence, and growth. CT, JAI Press, Greenwich, pp 119–138

Waddock A, Post JE (1991) Social entrepreneurs and catalytic change. Public Adm Rev 51(5):393–401

Weerawardena J, Mort G (2006) Investigating social entrepreneurship: a multi-dimensional model. J World Bus 41:21–35

Wei-Skillern J, Austin JE, Leonard H et al (2007) Entrepreneurship in the social sector. Sage, New Delhi

Welter F (2011) Contextualizing entrepreneurship-conceptual challenges and ways forward. Entrep Theory Practice 35(1):165–184

Westlund H, Gawell M (2012) Building social capital for social entrepreneurship. Ann Public Coop Econ 83(1):101–116

Youssry A (2007) Social entrepreneurs and enterprise development. Egypt: Sustainable Development Association. http://yesweb.org/docs/Toolkit_Social_Entrepreneurs_12_AUG_2007.pdf. Accessed 14 Nov 2012

Yujuico E (2008) Connecting the dots in social entrepreneurship through the capabilities approach. Socio-Econ Rev 6:493–513

Zafirovski M (1999) Probing into the social layers of entrepreneurship: outlines of the sociology of enterprise. Entrep Regional Development 11(4):351–371

Zahra SA (2007) Contextualizing theory building in entrepreneurship research. J Bus Venturing 22:443–452

Zahra SA, Rawhouser HN, Bhawe N et al (2008) Globalization of social entrepreneurship opportunities. Strat Entrep J 2(1):117–131

Zahra SA, Gedajlovic E, Neubaum DO et al (2009) A typology of social entrepreneurs: motives, search processes and ethical challenges. J Bus Venturing 24:519–532

Ziegler R (2010) Innovations in doing and being: capability innovations at the intersection of Schumpeterian political economy and human development. J Social Entrep 1(2):255–272

Websites

www.skollfoundation.org
www.ashoka.org

Chapter 3
The Conceptual Model: Contextualising Social Entrepreneurship

Abstract This chapter presents the conceptual framework for describing the phenomenon of social value creation in social entrepreneurship. Following Gartner's behavioural theory (Acad Manag Rev 10(4):696–706,1985; Entrep Theory Pract 13 (4):47–68, 1988), 'social entrepreneurship' is conceptualised as a process of social value creation. It is conceptualised as a multidisciplinary and multidimensional concept like entrepreneurship. The five major dimensions are included in this social entrepreneurship model. These are as follows: first, capabilities of social entrepreneur/s; second, the social value which they create; third, opportunity identification; fourth, resourcefulness; and fifth, the context/environment, within which they operate. The most important dimension—'social value creation'—occupies central position in the model. The other dimensions, which are capabilities of social entrepreneur/s, opportunity identification and resourcefulness, are directed towards the central position. There is also overlapping (interplay) between these dimensions, which is reflected in the process of social value creation. The model focuses on contextualising social entrepreneurship. Following Gartner's behavioural theory (Acad Manag Rev 10(4):696–706,1985; Entrep Theory Pract 13(4):47–68, 1988), I conceptualise 'social entrepreneurship' as a process of social value creation. Social entrepreneurs perform a series of activities in order to create social value. They identify and exploit opportunities, mobilise resources, take decisions and actions based on their knowledge and judgement, provide services and respond to the government, market and society in order to achieve their social mission.

3.1 Conceptual Framework for Describing the Phenomenon of Social Value Creation

Based on a review of the literature, I propose that social entrepreneurship is a multidimensional and multidisciplinary concept like entrepreneurship, because social entrepreneurs reflect entrepreneurial behaviour in achieving their social mission. Social entrepreneurship is a context-based phenomenon, because similar to
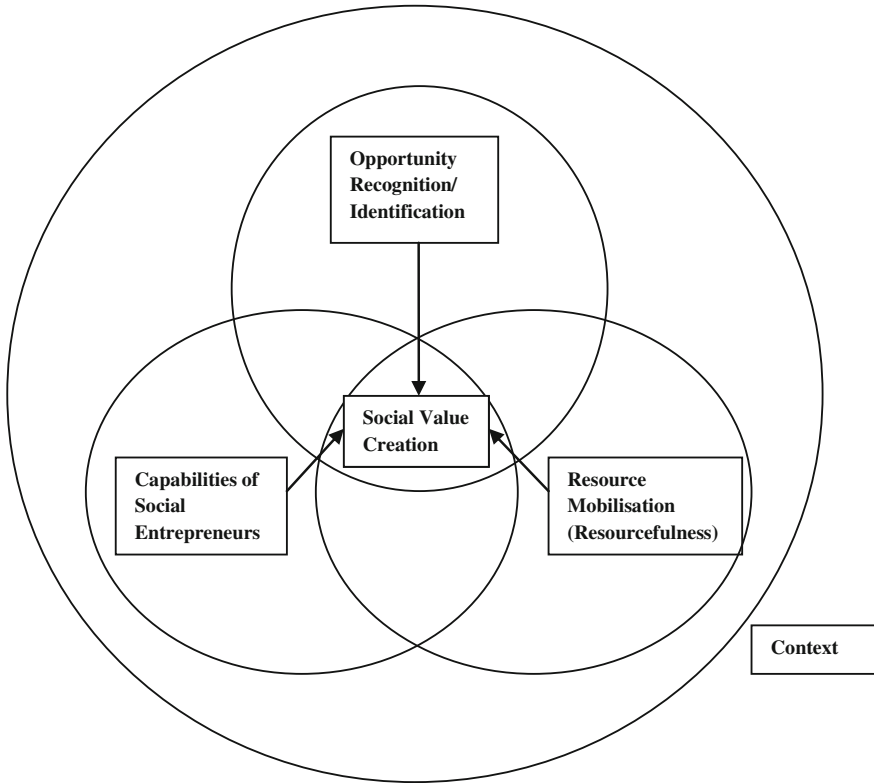
Fig. 3.1 Social entrepreneurship model

entrepreneurship, different contextual factors influence the process of social value creation too.

Figure 3.1 shows a conceptual model of social entrepreneurship for describing the phenomenon of social value creation.

It contains five major dimensions: first, capabilities of social entrepreneur/s (who initiate the process of social value creation); second, the social value which they create; third, opportunity identification; fourth, resource mobilisation (resourcefulness, i.e. ability to work without regard to resources currently controlled); and fifth, the context/environment, within which they operate. The most important dimension is social value creation, and it therefore occupies a central position in the model. The other dimensions, which are capabilities of social entrepreneurs, opportunities identification and resource mobilisation (resourcefulness), are directed towards the central position. The overlapping (interplay) between these dimensions is also reflected in the process of social value creation to achieve social mission.

3.1.1 Social Value Creation

The core dimension of social entrepreneurship is 'social value creation'. Social mission, that is solving social problems and creating social value (Dees 1998; Dees et al. 2001; Austin et al. 2006; Dorado 2006; Elkington and Hartigan 2008), is the central issues in social entrepreneurship. Social entrepreneurs create social value and bring about social change (Nicholls 2006).

Where conventional entrepreneurs focus on creating financial value, social entrepreneurs focus on creating social value (Young 2006; Auerswald 2009), but the concept of 'social value' is not clear in the context of social entrepreneurship. In fact, the concept of 'value' itself is not clear. To date, even social science has not produced a clear view of 'values' and there is little consensus (Bachika and Schulz 2011). Lepak et al. (2007) mentioned that because of three most important reasons, there is a lack of consensus on the concept of 'value creation' itself: first, the multidisciplinary nature of the field in which the concept has been used leads to significant variance in the targets for which value is created and in the potential sources or creators of value; second, a source of difficulty is that value creation refers both to the content (What is value? Who values what? And where value resides?) and the process of new value creation (How value is generated?); and third, the process of value creation is often confused or confounded with the process of value capture or value retention. They also argued that value creation and value capture should be viewed as distinct processes, because the source (individual, organisation or society) that creates a value increment may or may not be able to capture or retain the value in the long run. They mentioned that 'For example, although an individual may create value by developing a new way to perform a particular task in the workplace, other parties, such as organisations or even societies, may benefit more from the value created than does the individual creator' (p. 181).

The concepts of 'value' and 'social value' have been understood differently by different people. In other words, a social value means different things to different people (Mair and Schoen 2007). For example, from a strategic management point of view Bowman and Ambrosini (2000) have introduced and differentiated two type of values—first, 'use value' and second, 'exchange value'. 'Perceived use value' means that value is subjective and individual-specific. It is defined by the customers based on their perceptions of the usefulness of the product on offer. Total monetary value is the amount the customer is prepared to pay for the product. 'Exchange value' is realised when the product is sold. It is the (monetary) amount paid by the buyer to the producer for perceived use value. In this sense, value creation depends on the relative amount of value that is subjectively realised by a target user, who is the focus of value creation—whether individual, organisation or society (Lepak et al. 2007). In the perception of Tsirogianni and Gaskell (2011), 'social value' refers to socially collective beliefs and systems of beliefs that operate as guiding principles in life. These social values are means by which natural groups define social order—what is acceptable and what is not acceptable. These values have two significant features: first, social values that carry a normative component; second, social mechanism.

Social values are legitimated by the fact that they are shared prescriptions. These are the outcome of implicit or explicit decisions by groups (natural groups who share a common project that provides a rationale for their existence as a group—their collective identity) in society. Those who reject these social values cannot be members of the natural group—they are deviants. Therefore, social values impinge on individual choices, but are collectively generated, sustained and changed. This conceptualisation of social values has been done from the perspective of the theory of social representation. Adapted from Dillenburg et al. (2003), in the context of evaluating the social value of charitable organisation, Polonsky and Grau (2008) defined 'social value' as the total social impact a charitable organisation has on all its stakeholders. In their words, 'The social value of charities can be defined as the charity's effect on all of its stakeholders. These stakeholders include donors, employees, volunteers, other charities and non-profits, those the charity is helping, and society in general' (p. 133). Dees (2001) has mentioned that for social enterprises, whether purely philanthropic or purely commercial, the stakeholders are beneficiaries, capital providers, workforce and suppliers.

Based on the literature, I concluded that social entrepreneurs create value for all the stakeholders, beneficiaries (individual/organisation/society), owners/capital providers/investors, workforce/employees, suppliers and environment. A beneficiary is one of the stakeholders who receive part of the value the organisation creates. A beneficiary is the intended target of value creation (Lepak et al. 2007), especially with reference to marginalised or vulnerable sections of the society (Phills et al. 2008). I restrict the concept of 'social value' to the total impact that social entrepreneur has on the beneficiaries (individual/society as a whole) only. Young (2006) mentioned that social entrepreneurs create value, which is social, and it benefits people whose urgent needs and reasonable needs are not being met by other means.

Similar to the concept of 'social value', the concept of 'social change' also involves divergent views (Mann 1987). Wilbert Moore defined social change as 'significant alterations of social structures', where 'structure' includes norms, values and cultural phenomena (as cited in Lauer 1991). For, Lauer (1991), 'social change' refers to alterations in social phenomena at various levels of human life, from the individual to the global. It is concerned with the formation and destruction of social system (Martindale 1976); often, a society is described as a social system (LaPiere 1965). 'A society may change at varying rates, in various respects, and in a variety of ways' (LaPiere 1965, p. 40). However, the important point is that changes that are significant at one level are not necessarily significant at other levels; these social changes are of two types: 'haphazard', caused by unplanned sources and forces; and 'intended' or 'purposed', that is intentionally generated from within as well as from outside to meet particular ends or to bring about desired change, and challenges posed to the community (Mann 1987). Mostly, social entrepreneurs intentionally try to bring about desired changes in the society by solving social problems.

Social entrepreneurship can emerge across all the sectors—non-profits, public, for-profit and cross-sectors partnerships (Nicholls 2006). Hybrid social enterprises

can develop within and across all three sectors (Mair and Noboa 2003; Neck et al. 2008), with the condition that its primary focus is on social mission and not on the economic value creation or profit maximisation. The most important thing is that the model should benefit the common man and should not be based on the exploitation of needy people or situations arising out of their poverty or helplessness. It also includes purely philanthropic or charity-based organisations, which exploit opportunities, use their resources and work innovatively to solve social problem and create social value, because these organisations are exhibiting entrepreneurship behaviour to achieve a social mission. Even charitable activity can reflect economic realities, and economic activity can still generate social value (Austin et al. 2006). However, I exclude all those organisations from the boundary of social entrepreneurship, whose primary purpose is profit maximisation. In this sense, all the traditional for-profit organisations are excluded from social entrepreneurship, whether they aim to do social good in the form of corporate social responsibility (CSR), because in social entrepreneurship, social mission is not overshadowed by profit maximisation (Mair and Marti 2006). However, social entrepreneurship includes those organisations, which also initially aim at social or environmental value creation by using a for-profit model. In short, I include all the organisations (non-profit, not-for-profit, public, for-profit and cross-sector partnerships) within social entrepreneurship, whose primary focus is social mission and engages in entrepreneurial activities to achieve its social mission. However, based on the review of literature (Dorado 2006; Martin and Osberg 2007), I conceptualise that creation of organisation is not always necessary to create social value. However, often creation of organisation becomes the requirement for the social entrepreneur in order to give a structure to the process of value creation, which may or may not be registered under any legal framework. For example, Vinoba Bhave, who was a founder and leader of the Land Gift Movement, and caused the redistribution of more than 7,000,000 acres of land to aid India's untouchables and landless (www.ashoka.org/social_entrepreneur), did not register his organisation (i.e. his Ashram) under any legal framework. The organisation created by social entrepreneur and often registered under legal framework is known as 'social enterprise'. Social entrepreneurial venture (SEV) can select any legal framework for its organisation or social enterprise. In contrast to traditional entrepreneurs, for social entrepreneurs, creation of a path to solve social problems and to bring social change is the most important. Thus, the most important is that this framework recognises that the mission of social value creation is wider. It is more than just the creation of an organisation or a social enterprise.

3.1.2 Opportunity Recognition/Identification

Opportunity identification is regarded as one of the most important issues in entrepreneurship, because 'Without an opportunity, there is no entrepreneurship. A potential entrepreneur can be immensely creative and hardworking, but without

an opportunity to target with these characteristics, entrepreneurial activities cannot take place' (Short et al. 2010, pp. 40–41). Similarly, opportunity identification is an important dimension in social entrepreneurship too. However, where entrepreneurship is concerned with profitable opportunities, in social entrepreneurship, opportunities are identified and exploited for solving social problems, meeting social needs, creating social value, and bringing about social change (Dees 2001, 2007; Seelos and Mair 2005a, b; Peredo and McLean 2006; Weerawardena and Mort 2006; Hockerts 2006; Austin et al. 2006; Neck et al. 2008; Elkington and Hartigan 2008; Zahra et al. 2008, 2009; Corner and Ho 2010). These opportunities are available in a variety of sectors such as demographic, financial, nutritional, resource, environmental, health, gender, educational, digital and security opportunities (Elkington and Hartigan 2008). On one hand, where traditional entrepreneurs identify opportunities for profit maximisation, social entrepreneurs identify opportunities primarily for social value creation.

3.1.3   Resource Mobilisation (Resourcefulness)

Resourcefulness is another important dimension in social entrepreneurship. Howard Stevenson (as cited in Dees 1998) added an element of resourcefulness to the opportunity-oriented definition of entrepreneurship. He found in his research that entrepreneurs do not allow their own initial resource endowments to limit their option. They pursue the opportunity without regard to resources currently controlled. They mobilise the resources of others too to achieve their entrepreneurial objectives. Similar to entrepreneurs, social entrepreneurs act boldly without being limited by resources currently at hand (Dees 1998). Seelos and Mair (2005a) also mentioned that 'Social entrepreneurship combines the resourcefulness of traditional entrepreneurship with a mission to change society' (p. 241). These resources include financial, human and others. In fact, resource mobilisation is not about building cash or assets, but it is about building capabilities to deliver on the mission (Dees et al. 2001). Literature reflects that most commonly, social entrepreneurs acquire resources in resource-scarce environment through 'bricolage' (Zahra et al. 2009; Domenico et al. 2010; Desa 2011). 'bricolage' describes making the best of available resources by combining them in novel ways to solve problems (as cited in Yujuico 2008). The creativity of social entrepreneurs plays an important role, when they make the best of available resources to solve problems (Yujuico 2008). The concept of 'resourcefulness' is broader than 'bricolage'. 'Resourcefulness' reflects that social entrepreneurs not only make the best use of available limited resources by combining them in novel ways, but they also do not allow their own initial resource endowments to limit their option, and act boldly without being limited by resources currently at hand. Using their innovation and creativity, they find ways to get resources. I identify resourcefulness in the context of social entrepreneurship as the pursuit of social mission without regard to resources currently controlled.

Social entrepreneurs think of every possible way to arrange for resources and, therefore, use their creativity and bring innovation in their efforts to acquire and manage resources in scarcity to achieve their social mission. They mobilise the resources of others also to achieve their social mission.

3.1.4   Capabilities of Social Entrepreneur/s

Another important dimension is the capabilities of social entrepreneur/s (Dees 2001; Light 2006; Yujuico 2008). The group potential, team contribution and collective entrepreneurs have been emphasised in the social entrepreneurship literature (Peredo and McLean 2006; Corner and Ho 2010). Though I recognise collective efforts/group/team contribution in social value creation, I give importance to individual/s social entrepreneurs in my conceptual framework of social value creation. The fact is that social entrepreneurs are individuals, who first have a vision, aspire and take consequent action towards social value creation. The available evidence from social entrepreneurs suggests that success depends less upon personality than it does on teachable skills, such as the ability to activate the public, raise capital, negotiate results and manage the difficult transitions involved in taking an organisation from its initial start-up phase to maturity (Light 2006).

'Capability' is an integration of confidence in one's knowledge, skills, self-esteem and values (Stephenson 1992). In other words, capability is not just about skills and knowledge and specialist expertise (knowledge and skills), because taking effective and appropriate action within unfamiliar and changing circumstances involves judgments, values, the self-confidence to take risks and a commitment to learn from the experience. 'Capable people have confidence in their ability to take effective and appropriate action, explain what they are about, live and work effectively with others and continue to learn from their experiences, as individuals and in association with others, in a diverse and changing society' (Stephenson 1992, p. 2). According to Brown and McCartney (2004), capability has two meanings: first, capability is defined as potential that an individual could achieve. In this sense, the focus is not on what the individual can do, but what he/she could do or has the capacity to do in the future. Second, capability is defined as content: what the individual can (or has learned to) do. It emphasises the idea of existing abilities. Capability is concerned with the realisation of potential (Stephenson 1998), and therefore, it is easier to recognise it than to measure it (Stephenson 1992).

On the basis of the literature, I conceptualise 'capability' as a combination of both, one's confidence in his/her existing knowledge, skills, expertise, self-esteem and values, and in his/her potential abilities. So, 'capable' is something that one can become. Individuals themselves realise their potentials to a lesser or greater extent and sometimes with the help of others too. In this sense, innovation and creativity, and risk-taking, all these are conceptualised as part of abilities of the individuals. The capability of the individual can be acquired and enhanced by learned

experience, deliberate practice and inducing knowledge and skills through providing training, learning or teachable skills.

Sarasvathy's 'Effectuation Theory' (2001) is a useful tool to understand the capabilities of social entrepreneurs in the process of creating social value. The effectuation theory focuses on an entrepreneur or actor, who is perceived as an 'effectuator'. This theory gives importance to the imagination, intention, aspirations, experience, judgement, decision-making, behaviour, action and roles of entrepreneurs in the creation of artefacts such as firms/organisations, markets and economies, because Sarasvathy (2001) believes 'Before there are products, there is human imagination, and before there is a market, there are human aspirations' (p. 261). However, it is important to clarify here that the artefacts attributed to entrepreneurial action include not only firms and economic value, but also the creation of new markets, new opportunities, new institutions and social change (Sarasvathy and Venkataraman 2011). Sarasvathy (2001) highlighted the unique role of the decision-maker in solving the existence problem through effectuation. The effectuation process is useful in understanding and dealing with human actions, especially dealing with the uncertainties of future phenomena and problems of existence (ibid.).

This theoretical foundation presents an argument different from the Dees' (1998) opinion that social entrepreneurs are a special breed of leaders and consistent with the behavioural theory proposed by Gartner (1985). It supports Gartner's (1988) view that 'Who is an entrepreneur?' is the wrong question. Rather than focussing on a special breed/type of individuals, it focuses on the behaviour, action, values, judgment, learning experience, decision-making and the role of social entrepreneurs. It says that social entrepreneurs have confidence in their abilities. Usually, they start with generalised aspirations, form primary set of means (limited means—they know who they are, what they know and whom they know—their own traits, tastes and abilities; the knowledge corridors they are in; and the social networks they are a part of), exploit contingencies or opportunities, work effectively with others, form strategic alliances, continue to learn from their experiences, in diverse and changing circumstances and select between many possible effects on the criteria of a predetermined level of affordable loss or acceptable risk related to the given means. Social entrepreneurs use entrepreneurship as a method of human action to tackle/solve social problems and apply and practice it for human well-being and social improvement as suggested by Sarasvathy and Venkataraman (2011). Depending upon the use of contingencies/opportunities or circumstances, as they arise, social entrepreneurs as decision-makers may even change their goals and shape and construct them over time. They may create one or more effects (different types of social enterprises and/or social values), irrespective of the generalised goal, with which they started. The framework recognises that individuals behave and act differently in the same situation, depending on their capabilities, judgments and decision-making abilities.

In the social entrepreneurship model shown in Fig. 3.1, the interplay between all these dimensions, which are capabilities of social entrepreneur/s, opportunity identification and resourcefulness, indicates a process which involves a series of

activities to create social value. Thus, for social value creation, individuals must have capabilities, resources and identified opportunity. Light (2006, p. 49) also mentioned that 'The key to success is not always in a new idea per se, but in providing the resources to translate ordinary good practice into ultimate success'. In this way, in the process of social entrepreneurship, opportunities are identified and exploited, and resources are combined to create social value and achieve social mission.

3.1.5 Context

Context/environment is very important in social entrepreneurship (Light 2005; Mair and Marti 2006; Austin et al. 2006; Weerawardena and Mort 2006; Dorado 2006), because social entrepreneurship is a process resulting from the continuous interaction between social entrepreneurs and the context in which they and their activities are embedded (Mair and Marti 2006). 'Context simultaneously provides individuals with entrepreneurial opportunities and sets boundaries for their actions; in other words, individuals may experience it as asset and liability' (Welter 2011, pp. 165–166). These include social context (household and family embeddedness/contexts), the spatial/geographical context (bridging between social and institutional contexts) and the institutional context (including the societal dimension of entrepreneurship) (ibid.). Misra and Kumar (2000) integrated demographic characteristics (profile of social entrepreneurs—family background, birth, age, educational level of parents, sex, marital status and previous work experience) and psychological characteristics (motivational tendencies of entrepreneurs) as background factors in their conceptualisation of entrepreneurship, because entrepreneurial behaviour is contextually grounded. They assumed that demographic characteristics may influence other constructs such as intention and attitude. Context is outside the control of the entrepreneur and can influence success or failure (Wei-Skillern et al. 2007). This framework is consistent with the behavioural theory of entrepreneurship (Gartner 1985, 1988) that the behaviour of an individual is the outcome of the interaction between the person and the situation/context.

Thus, building on entrepreneurship theories, I conceptualise social entrepreneurship as the combination of capabilities of social entrepreneur, opportunity identification and resourcefulness to pursue social mission within the context in which they operate.

In this sense, 'social entrepreneurship' is conceptualised as a 'multidiscipline and multidimensional model', which involves a process whereby an individual/group of individuals (across the sectors—non-profit, not-for-profit, public, for-profit or cross-sectors partnerships) identify and exploit opportunities, and work without regard to resources currently controlled (resourcefulness) within a context to create social value by addressing social needs or solving social problems.

In addition to this, for the purpose of this study, I conceptualise social entrepreneur, social entrepreneurial venture (SEV), social enterprise, beneficiaries and social value as follows:

Social Entrepreneur Social entrepreneur is an individual or a group of individuals, who identify and exploit opportunities, combine resources and act innovatively to solve social problems, create social value and bring about social change.

Social Entrepreneurial Venture (SEV) Social entrepreneurial venture is a venture created by social entrepreneur/s to solve social problems. It may take organisational form, but may or may not be registered under any legal framework.

Social Enterprise Social enterprise is an organisation created by social entrepreneur/s to solve social problems and create social value, and is registered under any legal framework (across the sectors—non-profit, not-for-profit, public, private and cross-sectors).

Beneficiaries Beneficiaries are the intended target of social value creation (Lepak et al. 2007).

Social Value 'Social value' is defined as total impact that a social entrepreneur has on the beneficiaries (individuals/societies).

This conceptual model of social entrepreneurship (see Fig. 3.1), developed on the basis of review of literature, is tested with empirical data (collected following appropriate methodology as discussed in Chap. 1, Introduction). The validity of this model was required towards theory building on the context-based phenomenon of social entrepreneurship.

References

Auerswald P (2009) Creating social value. Stanford Social Innovation Review, Spring, 49–55. http://www.marquette.edu/social-innovation/documents/CreatingSocialValue.pdf. Accessed 13 Dec 2014

Austin JA, Stevenson H, Wei-Skillern J (2006) Social and commercial entrepreneurship: same, different, or both? Entrep Theory Pract 30(1):1–22

Bachika R, Schulz MS (2011) Values and cultures in the social shaping of the future. Curr Sociol 59(2):107–118

Bowman C, Ambrosini V (2000) Value creation versus value capture: towards a coherent definition of value in strategy. Br J Manag 11:1–15

Brown R, McCartney S (2004) The development of capability: the content of potential and the potential of content. Educ Train 46(1):7–10

Corner PD, Ho M (2010) How opportunities develop in social entrepreneurship. Entrep Theory Pract 34(4):635–659

Dees JG (1998) The meaning of social entrepreneurship. http://www.fntc.info/files/documents/The%20meaning%20of%20Social%20Entreneurship.pdf. Accessed 20 Oct 2008

Dees JG (2001) Social entrepreneurship: Mobilising resources for success. http://www.tgci.com/magazine/Social%20Entrepreneurship.pdf. Accessed 10 Oct 2011

Dees JG (2007) Taking social entrepreneurship seriously. Society 44(3):24–31

Dees JG, Emerson J, Economy P (2001) Enterprising nonprofits: a toolkit for social entrepreneurs. Wiley, New York

Desa G (2011) Resource mobilisation in international social entrepreneurship: Bricolage as a mechanism of institutional transformation. Entrep Theory Practice, January, 1–25. doi:10. 1111/j.1540-6520.2010.00430.x

Dillenburg S, Greene T, Erekson H (2003) Approaching socially responsible investment with a comprehensive ratings scheme: Total social impact. J Bus Ethics 43(3):167–177

Domenico MD, Haugh H, Tracey P (2010) Social Bricolage: theorizing social value creation in social enterprise. Entrep Theory Pract 34(4):681–703

Dorado S (2006) Social entrepreneurial ventures: different values so different process of creation, no? J Develop Entrep 11(4):319–343

Elkington J, Hartigan P (2008) The power of unreasonable people: how social entrepreneurs create markets that change the world. Harvard Business Press, Boston

Gartner WB (1985) A conceptual framework for describing the phenomenon of new venture creation. Acad Manag Rev 10(4):696–706

Gartner WB (1988) "Who is an entrepreneur?" is the wrong question. Entrep Theory Pract 13 (4):47–68

Hockerts K (2006) Entrepreneurial opportunity in social purpose ventures. In: Mair J, Robinson J, Hockerts K (eds) Handbook of research in social entrepreneurship. Palgrave, London, pp 142–154

LaPiere RT (1965) Social Change. McGraw-Hill Book Company, New York

Lauer RH (1991) Perspectives on social change, 4th edn. Allyn and Bacon, Boston

Lepak DP, Smith KG, Taylor MS (2007) Value creation and value capture: a multilevel perspective. Acad Manag Rev 32(1):180–194

Light PC (2005) Searching social entrepreneurs: who they might be, where they might be, what they do. Paper presented at the annual meetings of the Association for Research on Nonprofit and Voluntary Associations, November 17–18. http://wagner.nyu.edu/performance/files/ARNOVApaper.pdf. Accessed 2 Feb 2009

Light PC (2006) Reshaping social entrepreneurship. Stanford Soc Innov Rev, Fall 4(3):47–51. http://wagner.nyu.edu/performance/files/ReshapingSE.pdf. Accessed 2 Feb 2013

Mair J, Marti I (2006) Social entrepreneurship research: a source of explanation, prediction and delight. J World Bus 41:36–44

Mair J, Noboa E (2003) The emergence of social enterprises and their place in the new organisational landscape. Working Paper, WP No. 523, IESE Business School, University ofNavarra. http://www.iese.edu/research/pdfs/DI-0523-E.pdf. Accessed 26 June 2012

Mair J, Schoen O (2007) Successful social entrepreneurial business models in the context of developing countries: an exploratory study. Int J Emerg Mark 2(1):54–68

Mann RS (1987) Social change and social research. Concept Publishing Company, New Delhi

Martin RL, Osberg S (2007) Social entrepreneurship: The case for a definition. Stanf Soc Innov Rev, Spring 29–39

Martindale D (1976) Introduction. In: Zollschan GK, Hirsch W (eds), Social change: explorations, diagnoses and conjectures. Wiley, New York, p ix–xxv

Misra S, Kumar ES (2000) Resourcefulness: a proximal conceptualisation of entrepreneurial behaviour. J Entrep 9(2):135–154

Neck H, Brush C, Allen E (2008) The landscape of social entrepreneurship. Bus Horiz 52:13–19

Nicholls A (ed) (2006) Social entrepreneurship: new models of sustainable change. Oxford University Press, New York

Peredo A, McLean M (2006) Social entrepreneurship: a critical review of the concept. J World Bus 41:56–65

Phills JA, Deiglmeier K, Miller DT (2008) Rediscovering social innovation. Stanf Soc Innov Rev 6(4):34–43

Polonsky MJ, Grau SL (2008) Evaluating the social value of charitable organisations: a conceptual foundation. J Macromark 28(2):130–140

Sarasvathy SD (2001) Causation and effectuation: Toward a theoretical shift from economic inevitability to entrepreneurial contingency. Acad Manag Rev 26(2):243–263

Sarasvathy SD, Venkataraman S (2011) Entrepreneurship as method: open questions for an entrepreneurial future. Entrep Theory Pract 35(1):113–135

Seelos C, Mair J (2005a) Social entrepreneurship: creating new business models to serve the poor. Bus Horiz 48(3):241–246

Seelos C, Mair J (2005b) Sustainable development: how social entrepreneurs make it happen. Working Paper No. 611, IESE Business School, University of Navarra, Spain. http://www.iese. edu/research/pdfs/DI-0611-E.pdf. Accessed 19 July 2011

Short JC, Ketchen DJ Jr, Shook CL et al (2010) The concept of "opportunity" in entrepreneurship research: past accomplishments and future challenges. J Manag 36(1):40–65

Stephenson J (1998) The concept of capability and its importance in higher education. In: Stephenson J, Yorke M (eds) Capability and quality in higher education. Kogan, London, pp 1–13

Stephenson J (1992) Capability and quality in higher education. In: Stephenson J, Weil S (eds) Quality in learning: a capability approach to higher education. Kogan, London, pp 1–9

Tsirogianni S, Gaskell G (2011) The role of plurality and context in social values. J Theory Soc Behav 41(4):441–465

Weerawardena J, Mort G (2006) Investigating social entrepreneurship: a multi-dimensional model. J World Bus 41:21–35

Wei-Skillern J, Austin JE, Leonard H et al (2007) Entrepreneurship in the social sector. Sage, New Delhi

Welter F (2011) Contextualizing entrepreneurship—conceptual challenges and ways forward. Entrep Theory Pract 35(1):165–184

Young R (2006) For what it is worth: social value and the future of social entrepreneurship. In: Nicholls A (ed) Social entrepreneurship: new models of sustainable social change, 1st edn. Oxford, New York, p. 56–73

Yujuico E (2008) Connecting the dots in social entrepreneurship through the capabilities approach. Socio-Econ Rev 6:493–513

Zahra SA, Gedajlovic E, Neubaum DO et al (2009) A typology of social entrepreneurs: motives, search processes and ethical challenges. J Bus Ventur 24:519–532

Zahra SA, Rawhouser HN, Bhawe N et al (2008) Globalization of social entrepreneurship opportunities. Strateg Entrep J 2(1):117–131

Part II
Caselets

Chapter 4
Indian Social Entrepreneurs

Abstract Based on primary and secondary data, this chapter provides description of each of the nine cases included in the sample for the study. These caselets give case-specific information and thus help to understand the contexts, specific to each case. These caselets are arranged in the order: non-profit charitable social enterprises; non-profit social enterprise sustainable with combined income of external funding and own earned income, or not-for-profit self-sustainable social enterprise, or hybrid social enterprise; for-profit social enterprises. Finally, important descriptions about the cases (social entrepreneurs) and social enterprises are summarised into two separate tables.

The nine cases of Indian social entrepreneurs or main founders of social enterprises included in the study are presented in this chapter. These are based on the primary data collected during field work as part of this research. The information collected from primary sources of data collection, mainly interviews with the founders and management personnel, was also supported by additional information collected from secondary sources, such as annual reports, brochures, other documents and audio-visual records and Websites of the social enterprises. These caselets attempt to provide an understanding of the context specific to each of the cases. The details about social entrepreneurs and their social enterprises are explored in these caselets. It looks at the background of social entrepreneurs—family, social, cultural, educational and work experience—and explores the context in which these individuals emerged as social entrepreneurs. It also explores the emergence of their social enterprises and provides a description of the legal status of the social enterprises, year of registration, organisational mission, office locations, target areas, human resources and the current status/designation of the founder in their social enterprises. The background information of the beneficiaries (who were interviewed) was provided in a seperate annexure (refer Appendix 1: Description of the Beneficiaries). It must be clarified that even though the viewpoint of the beneficiaries' has been incorporated, the central focus of this chapter is on the social entrepreneurs' journey in the process of social value creation. The caselets are

arranged in order: non-profit charitable social enterprises; non-profit social enterprise sustainable with combined income of donations and earned income, or not-for-profit self-sustainable social enterprise, or hybrid social enterprise; for-profit social enterprises.

4.1   Case 1: Dr. Armida Fernandez, Trustee, SNEHA (Society for Nutrition, Education and Health Action)

Dr. Armida Fernandez runs her social enterprise 'SNEHA'. She is 69 years old, married and is a trustee in her social enterprise. She resides in Mumbai with her husband and daughter.

Originally Goan, Dr. Fernandez was born and raised in Dharwad, Karnataka. From an early age, she felt strongly about certain issues and was determined to address them. She wanted to work for babies and help the poor, which made her choose medicine as a profession, despite being better at mathematics and physics. She graduated in medicine from Hubli Medical College after which she worked with missionary nuns at Dharwad, where she realised that she did not know enough about paediatrics. She came to Mumbai and completed her MD in paediatrics from KEM Hospital. She wished strongly to return to the villages and districts, but her husband (a dermatologist) said, 'Whatever you wanted to do, you can also do in Mumbai. You don't have to be in a small place and village'.

She then decided against starting private practice and joined 'Lokmanya Tilak Medical College and Hospital' better known as Sion Hospital at Sion (Mumbai) as a senior resident doctor. It was a big public hospital visited mainly by the poor. Dr. Fernandez liked her job at this hospital, because it suited her personality—working for the patients and teaching, simultaneously. It was exciting and challenging for her. She became an assistant professor, then a professor, and in the last 3 years of her tenure, she became the dean of the institution. She was a professor and head of neonatology in the hospital for over 25 years and the dean of the hospital for 3 years and a former president of the national neonatology forum.

As a doctor at the hospital, she witnessed the death of several newborns. With a strong urge to save their lives she moved from paediatrics to neonatology. A general lack of facilities in public or municipal hospitals made it difficult for her to find the resources and the infrastructure to achieve her objective of saving the lives of newborns. She started using several simple but innovative techniques and new ideas to manage things. She was to realise much later, that this was entrepreneurship.

One such innovation was to start the first 'human milk bank' in Mumbai, which recently celebrated its silver anniversary. As the hospital catered to poor patients, several mothers were undernourished and postdelivery could not produce enough milk to feed their newborns. The 'human milk bank' would collect mothers' milk from healthier mothers and store it safely to be fed to newborns who could not get it from their mothers. This meant the newborn baby would have a better chance of survival.

When the hospital was unable to provide 'incubators' for premature babies to keep them warm she devised an inexpensive way, using large lamps to serve the purpose.

She also observed that after being cured at the hospital, when newborns were taken back to their homes in the slums, they were exposed to poor hygienic conditions and suffered from various infections, resulting in fatalities. She realised that creating awareness on the issue of health and hygiene was essential in the community to prevent them from having to come to the hospital frequently. To achieve this, working at the hospital alone was not sufficient and that she would have to work with the community as well. She decided to take the battle to the source itself and started taking her whole department along with her to the slums once a week.

Before retiring in 2001, she started her NGO, SNEHA (Society for Nutrition, Education and Health Action) in 1998. SNEHA, registered as a 'Public Charitable Trust', has been working in the slum communities in Mumbai on health and related issues. When Dr. Fernandez started she did not have the money to work on her idea of working on health issues in the slums, but she started talking about it to people, mainly her friends. One of her friend's relative was a businessman who realised her seriousness and offered to sell his house in Nashik and give her the money for starting her work. Unfortunately, before he could do so he died of a massive heart attack. But his wife came to Dr. Fernandez offering her the money that she got from the sale of the house in Nashik. Despite her personal tragedy and the fact that she had five children to look after, she took this step to fulfil her husband's last wish.

Dr. Fernandez firmly believes in God and this, she feels is God's way of telling her, 'This is what I have chosen for you. You must work in the slums'. In this way, she got money even before staring her NGO, even though she did not know anything about starting or running one. Several others helped her—someone with relevant experience of working in an NGO came to her, and someone else showed how to get a trust registered. Then, there was the question of trustees. She did not have any trustees. Five doctors and all assistants in her department would regularly go to the slums. So, she made them all trustees of her organisation. In this way, they continued to be doctors in the hospital and trustees of SNEHA at the same time.

Now that she had the resources and a team, she needed space. Sion Hospital, run by the municipal corporation, has a big building, an urban health centre. She asked for permission to have some space there to use it as a centre for women and children. She started with a crèche for children, a crisis centre for violence, followed by maternity and newborn health care.

Thus, she started in a very small way, with no clear plan. Many volunteers from different backgrounds, such as management, finance, etc., came and helped put systems into place. SNEHA grew fast, but not in a planned and organised way. Later, with the growth of the organisation, she was able to get more funds and recruited specialised people from different backgrounds for the organisation. Though she paid all the employees of SNEHA, she herself did not take a single rupee as salary from her NGO for providing her services.

SNEHA is still working on the same mission. It does not try to create a parallel system for healthcare provisions. It does not treat people by giving them medicines, rather, they try to change and empower women. They work within the existing

systems in partnership with the public health system. SNEHA believes that investing in women's health is essential to building viable urban communities. It focuses on the health of women and children, and the empowerment of women to look at their own health, their children's health and their families' health, and bring about the changes in their lives and in the lives of those around them.

SNEHA targets four large public health areas. First, as neonatologists their focus was on 'Maternal and Neonatal Health'. Second was 'Child Health and Nutrition', that is looking at nutritional aspects, changing attitudes to nutrition, changing feeding patterns, getting others to feed their children and getting children to eat better. Third was 'Sexual and Reproductive Health', with a focus on adolescents. Fourth was 'Prevention of Violence against Women and Children', to include both physical and mental violence. In this way, SNEHA focused on health care across the complete lifecycle, starting from the mother, newborn, child, adolescent and then back to the mother. In October 2009, SNEHA also started a livelihood project, which was driven by the objective to bring together a group of women from the slum communities of Mumbai and to impart skills which would in turn enable them to earn a livelihood. The group comprised ten women who were a regular part of this activity. The products made by these women included a variety of quilts, each with a unique design and colour combination; bags; cushions; and tableware. SNEHA aimed at marketing these products in an appropriate manner to facilitate increased sales and in turn give visibility to this project. From contraception and planned motherhood to conception and antenatal care, from breast feeding to nutrition, from protecting women and children, from violence to empowering women with livelihood choices and helping the old live with dignity, the SNEHA tapestry of services and interventions left no woman untouched by its warmth and empathy.

SNEHA's initiatives targeted both care seekers and care providers to improve urban health standards. On the one hand, SNEHA worked at the community level to empower women and slum communities to be catalysts of change in their own right. On the other hand, SNEHA collaborated with existing public systems and care providers to create sustainable improvements in urban health. Dr. Fernandez strongly believed that an organisation should continue independently, and not break down if something happens to the founder. To ensure continuity, she stepped back, making one of the trustees, Dr. Vasundhara Joshi, the executive director of SNEHA. Now, Dr. Fernandez is only a trustee, but she maintains that she would love to work till she has life and energy. The head office of SNEHA located not far from Dharavi, now has 150 employees, including full-time and part-time consultants.

4.1.1   Summary

The one thing that Dr. Fernandez was sure about was that she wanted to work in the field of health care for small children and the poor. When faced with adversity and insufficient resources, she innovated to ensure that her patients are cured and have a better chance of survival. To improve the overall health and hygiene situation,

she decided to involve the community at large and young mothers in particular. When she decided to create her organisation, she had no money and no staff. She managed to raise funds by talking to friends, who helped her despite adversity. Her staff at the hospital became the first trustees and her hospital provided her space to run her programmes. By involving a professional management, she also ensured that the organisation lives after she is gone. What started with an idea is today an organisation with over 150 employees, touching the lives of thousands of people through various programmes covering physical and mental well-being and livelihood.

4.2   Case 2: Shaheen Mistri, Chairperson, Akanksha Foundation

Shaheen, 42 years old and divorced, has two daughters aged 8 and 13 and is the chairperson of the 'Akanksha Foundation'. She stays in Mumbai with her daughters.

Shaheen Mistri was born in a Parsi family in Mumbai and has a younger brother, who is a photographer and a musician. Her father was a banker who worked with Citibank for over 40 years. Her mother was a speech therapist and a museum educator, who changed her career midway. However, she was at home while her children were growing up. Shaheen's family lived in different countries outside India. Shaheen did her schooling abroad and came back to India when she was 18 years old. She did her BA from St. Xavier's College, Mumbai (under Mumbai University) and then followed it up with a Master of Education (M.Ed.) from the University of Manchester and again returned to India.

Shaheen's family had always allowed her to do what she wanted. Coming from a highly privileged background herself, she always believed that every child had the right to good education and access to good opportunities. She always believed in equity and equality, and she felt the best way to approach it was through education and through children. Being with children always gave her a great sense of joy.

Shaheen began volunteering as early as 12 years of age, during school summer vacations while she was a student abroad. The interest in volunteering continued and Shaheen found herself visiting India often, working with children. Upon returning to India at the age of 18, she started volunteering again. Informally, she started a small teaching project in a low-income community in the Colaba area of Mumbai, where she herself was a teacher. Gradually, the project grew and became an NGO, which she eventually registered. There was no conscious thought of becoming a social entrepreneur or a leader; things just started. She began her work in 1989 and registered it later as a charitable trust in 1991. When she started there was not much support. Her parents were not happy with her decision, even though they never opposed it in a major way. They had wanted that their daughter should finish her college studies in the USA, work there for a while and then come back to India. However, all this had never been very important to her, and she always believed that one should do what one believes in. Hence, she followed her belief and started with one centre in the Holy Name School, in Colaba in Mumbai, with two classrooms and

15 children, who came from the slums around Mumbai's Cuffe Parade area. Her passion for teaching and learning was the catalyst for the founding of Akanksha.

It started with an 'after-school centre', the first of which lasted 4 years. Following this, subsequent centres were set up. Shaheen was joined by volunteers and professional teachers. Over a period of time, support also came from her family. The Akanksha Foundation was working with a mission to maximise the potential of every child and transform their lives. It had the vision to provide the highest quality of education to every child in the country. They were doing it largely by running 'after-school centres' and 'schools' directly for children of low-income families. It provided strong education, both in academics and values, and looked at students' interest and their aspirations. In short, Akanksha was doing a whole gamut of activities that a good school is supposed to be doing. They ran computer classes and mentored the kids. When the children graduated, they had a scholarship programme for them, so that they could go to college. They had support even after they graduated. They also had a social leadership programme, where the children learnt how to become social leaders.

With growth, Akanksha's art programme too became more structured and focused on achieving some objectives. There were three objectives; the first was to help children discover themselves, their cities and their world and learn about different art forms, to provide a window to the world to see different things. The second was to help them create. This meant that once the children had this experience of discovery, they be shown ways in which they could translate this discovery into art. This also included choosing the learning style that was most relevant to a particular child, thereby making it easier for the child to imbibe the learning. The third objective was to use art to tell their stories, so that they would be able to talk about themselves. Thus, the art programme aimed to achieve two things: first, to help children express themselves and, second, to allow people to experience Akanksha. The products made by the students of the art programme were sold in shops. The money raised through the process went back into funding the Art Project. Their art programme became totally self-sustainable. They also did workshops, murals and other things in partnership with companies, as part of the latter's 'corporate social responsibility' (CSR) activity. Akanksha believed in giving opportunities to children to study different things, such as sports, drama, music and singing.

Initially, Akanksha started after-school centres for its students, with a focus on English, mathematics, values and extracurricular activities and then changed its model to running schools in partnership with the government. The School Project was a venture to open high-quality schools serving children from low-income communities in Mumbai and Pune. These schools were run in partnership with local municipalities, with the vision of creating small clusters of model schools in these cities that can be used to impact the mainstream education system. All the services provided by Akanksha were focused on education for kids. They have 47 centres and nine schools between Mumbai and Pune and reach out to over 4000 children through their two models—the after-school centre model and the school model. The offices of Akanksha Foundation were located in Mumbai and Pune, with 206 employees. In 2011, Akanksha completed 25 years of existence.

After having served at Akanksha as the founding member and CEO for about two decades, in 2008 Shaheen along with a group of activists founded another not-for-profit organisation 'Teach for India' with the same excitement. The aim again was to have more impact on kids. The vision of both the organisations was similar, that of providing the highest quality of education to every child. 'Teach for India' was attempting to do so by creating leaders or a movement of the leaders, who would go out and bring about change at the systemic level, thereby eliminating educational inequity in the country. At the heart of both organisations was to provide high-quality education to kids.

Shaheen took a back seat after building a strong team in Akanksha. Vandana Goyal, the director of The School Project in Akanksha, took over as the CEO of Akanksha Foundation in 2010. Shaheen was then, CEO of 'Teach for India', and her goal for the immediate 5 years was to focus on Teach for India so it grows to having 2000 leaders across India. The idea was that these 2000 people (social entrepreneurs) would graduate every year from the programme, go out and become teachers in schools, or start their own schools, or work for education from other sectors, thereby creating a big impact in the field of education. Shaheen continued to be actively involved with Akanksha, but from the sidelines. She hoped that over the next 5 years, Akanksha would be able to grow and elevate the quality of schools to even greater heights than they had managed earlier. Teach for India was present in five cities—Mumbai, Pune, Delhi, Hyderabad and Chennai. Today, the foundation has a total of 550 fellows and 196 alumni working towards eliminating educational inequity.

4.2.1   Summary

Shaheen, born into a privileged family, had exposure to life abroad which taught her about equity and equality. She started volunteering at an early age working with children and on education, as she believed that all children had a right to quality education and the opportunities that follow. Starting alone, against her family's wishes she started with two classrooms and 15 students. Akanksha Foundation was created with the vision to provide the highest quality of education to every child in the country and to maximise the potential of every child and transform their lives. Growth came from volunteers initially and then professional teachers joined in. Municipal schools offered their classrooms after regular school hours and resources flowed in from corporate for whom this project was part of their CSR activity.

4.3   Case 3: Rajendra Joshi, Trustee, SAATH

Rajendra Joshi, 53 years old, is married. Associated with SAATH for the past 23 years, he is a trustee in SAATH.

Rajendra is a Brahmin with roots in Gujarat. His grandparents were migrants to East Africa and his parents were born in Tanzania. He was also born and raised in Tanzania. His family came from a lower middle class background, and therefore, he was exposed to a lot of struggle early in life on account of severe financial difficulty. In 1977, at the age of 19, Rajendra came to India and in 1982 he did his B.Sc. in zoology from St. Xavier's College, Ahmedabad.

Rajendra's first job was that of a field officer in an education programme with St. Xavier's Social Service Society. He found it interesting, creative, exciting and challenging and he had fun working there because it also gave him an opportunity to do something meaningful. Hence, despite getting a meagre salary, he continued his job for 3 years. He was comfortable with the low pay as he did not have too many responsibilities or liabilities at that time. His parents were self-sufficient and his siblings too were not dependent on him and he himself was a bachelor at that time. He also worked for another NGO for 1 year. The driving thought was that he wanted to do something which would help change the world and give him satisfaction. The idea of integrated slum development came to his mind. He shared it with two of his colleagues and friends, Robert David and Pradeep Singh, who also liked the idea. Then, Rajendra, along with his two friends founded SAATH in 1989 and registered it as a 'Public Charitable Trust' in Ahmedabad, Gujarat. In Gujarati, the word 'SAATH' means 'Together, Cooperation, a Collective, or Support'.

SAATH's mission was to create inclusive societies by empowering India's urban and rural poor by utilising market-based strategies. Since the poor often have many needs at once, SAATH created one-stop centres, through which slum residents and those in vulnerable situations had access to services such as health, education, affordable housing, microfinance and livelihood options. Today, through its one-stop, integrated service centres SAATH reaches out and provides services to over 100,000 slum dwellers in Ahmedabad and many more in the states of Gujarat and Rajasthan.

However, when they started, they did not have money. They were looking for sources of funding. In this situation, his father supported him financially. He also borrowed money from friends, relatives and other members, to be able to pay his employees. This situation continued till about 1993, when they got their first large funding. Only after that, he was able to get his salary and could repay most of his debts.

This precarious financial situation helped him design a model where communities coinvested with SAATH and the donors, by paying for, decided and implemented programmes. So, all the programmes of SAATH were market-based programmes, because beneficiaries contributed to avail services presented to them. This also created a sense of belonging and ownership within the beneficiaries. All the programmes of SAATH are funded in part by the government (60 %), private funding (30 %) and beneficiaries (10 %). It engaged institutions, corporates and individuals throughout the world as partners and supporters of the integrated development of India.

To achieve its mission, SAATH operates various programmes. These included the urban resource centres (URC), reproductive and child health (RCH), and tuberculosis, directly observed treatment, short course (TB-DOTS), affordable

housing, youth employability (*Ummeed*[1] across Gujarat and *Udaan*[2] in Rajasthan), youth platform, The Saath Saving and Credit Cooperative Society Ltd. (SSCCS), *Balghars*[3] and friendly spaces, *Urmila*[4] (women's livelihood programme) and R-Weaves (livelihood training and support for rural artisans).

Of these, *Umeed, Udaan, Urmila* and *R-Weaves* are the main livelihood services of SAATH, which provide training and support to the beneficiaries. The *Ummeed, Udaan* and *YUVA*[5] centres provided livelihood training to youth from vulnerable backgrounds in Gujarat and Rajasthan and gave them the opportunity for employment. The *Ummeed* programme was started in 2007 and has its centres in different cities and towns across Gujarat. Through market research conducted by the management team, they identified the areas for starting the centres and the government gave them space for running the centres. Most of the centres were provided by the municipal corporation in its schools. SAATH has built partnerships with companies for recruitment and helped in their placements. They provided approximately 80 % placements under *Ummeed*.

The employment skill training programme was started in the name of *Udaan* in Rajasthan, with financial support from the Rajasthan Mission on Livelihood (RMoL) in 2008. In 2010–11, SAATH had scaled up and started eight self-financed centres by the name of YUVA, in collaboration with the American India Foundation's MAST initiative, in six districts in Rajasthan to decrease dependency on external funding. They had 12–13 *Ummeed* centres in Gujarat and ten centres by the name of *Udaan* in Rajasthan. *Ummeed* was working under 'SAATH Charitable Trust', but *Udaan* was operating under 'SAATH Livelihood Services' registered under Section 25. The *Urmila* Home Manager programme was the women's livelihood programme of SAATH, to empower slum residents with increased opportunities for income generation and to provide urban households with a reliable, efficient and professional domestic help. SAATH provided recruitment and training to home managers. Since 2005, it bridged the gap between the domestic workers and urban households in Ahmedabad in Gujarat. However, since 2011–12, *Urmila* operates through 'Empower *Pragati*',[6] a for-profit organisation (for-profit social business) that has through its exhaustive market scans identified service sector areas in demand for entry and mid-level labour in both the formal and informal sectors. Accordingly, it engages in youth skill training, confidence building and career networking and creates enduring value by allowing the bottom of the pyramid (BOP) to access personalised training and job opportunities while delivering a new and capable labour supply, staffing and temping services to the

---

[1]'Ummeed' is a Hindi word which means hope.

[2]'Udaan' is a Hindi word which means flying.

[3]'Balghar' is a Hindi word. It refers to children's home.

[4]'Urmila' is a Hindi word which means waves of passion. It is also the name of a daughter of King Janaka of Mithila in India.

[5]'Yuva' is a word in Hindi, which means youth.

[6]'Pragati' is a Hindi word which means progress.

growing demands of the private sector. *Ummeed* and *Udaan* both the programmes were self-sustainable at the time of data collection. R-Weaves was a branding and marketing programme, started in 2007. It was a rural development initiative that provided livelihood training and support to rural artisans or weavers (*Patola* artisans) from Surendranagar in Gujarat. It supported the artisans by supplying small loans, weaving workshops and development of new designs and products. Rajendra's wife looked after 'R-weaves' programme.

This showed that although the leadership at SAATH believed in taking help from governments at the initial stages of the programmes, the intent was always to make these programmes self-sustainable. They nurtured relationships with government agencies and private companies to achieve their objectives.

Rajendra believes in mentoring and nurturing new leadership. He developed a new leadership within the organisation and handed over all his operating responsibilities to the new leader, after which he does not have an executive role. Having passed on the responsibility and position of the chief operations officer of SAATH, he remains a trustee. However, he continues to engage more in understanding how social enterprises and new business models could be developed to contribute to the original goals of doing good work. Rajendra is currently actively involved in looking after Empower *Pragati*, his new social enterprise. Today, with its head office in Ahmedabad, Gujarat SAATH also has field offices in Gujarat and Rajasthan manned by over a 100 full-time and 28 part-time staff.

4.3.1 Summary

Coming from a lower middle class family, Rajendra was not even aware of the term 'social entrepreneur'. He just wanted to do something that would help people and give him satisfaction. He started SAATH with two friends and no money with the intention to address multiple issues of health, livelihood, education, affordable housing and microfinance through integrated one-stop shops. Developing programmes that were run with the support of government, private companies and beneficiaries themselves, SAATH provides skill development training and jobs for these trained people. Through its several field offices in two states and over a 100 dedicated staff, SAATH reaches out to over 100,000 people at the bottom of the pyramid, making their lives better.

4.4 Case 4: Dr. Devi Shetty, Chairman, Narayana Hrudayalaya Private Ltd. Company

Dr. Devi Shetty, 59 years old and married, is the chairman of Narayana Hrudayalaya Private Ltd. Company.

Dr. Shetty, a cardiac surgeon, was born in an ordinary family of 'Kinnigoli', a village near Mangalore in the South Kannada district (now divided into Dakshina Kannada and Udupi districts) of Karnataka. He was the eighth of the nine children of his parents. His father used to run a small restaurant business while the mother took care of the household. Though his father was a businessman, he wanted his children to study and become professionals like doctors and engineers, and he did not want to raise them solely in a business environment.

Dr. Shetty had good business sense. He did all his schooling in Kinnigoli and other surrounding areas like Udupi. While in class 5, his teacher told them about first heart transplant done by Dr. Christian Barnard in South Africa. He was fascinated and decided not only to become a doctor, but a heart surgeon. Later, he went to Mangalore, where graduated in medicine in 1982 and did a postgraduate degree in general surgery from Kasturba Medical College, Mangalore. After completing his studies he went abroad and joined the Guys Hospital, London, for training in cardiac surgery. He worked there for 6 years. In 1989, he left the UK for India. Initially, he worked at the Birla Hospital and Research Centre in Kolkata for 8 years. While working in this hospital, he would see approximately 60–100 patients every day. However, he observed that not a single patient would turn up for surgery, because it would cost 140,000 rupees at that time, which was 22 years ago. This was a high cost for surgery and unaffordable for the common man. That was the time when he decided to look at another model of delivering health care. So, he started to offer concessional packages, and raising money from the people. He observed that healthcare delivery system was so badly organised that even though half a million people needed heart surgeries, less than 90,000 people really underwent them. He was sure that the solution would not come from heaven, and one would have to address this problem by oneself. Then, he realised that the only long-lasting solution to this problem was to reduce the cost of heart surgery. Any other arrangement, such as trying to raise money from the people, charity, would provide only temporary relief, like putting a Band-Aid. Hence, he decided to change the way health care was delivered, to make it need-based.

In Kolkata, he operated on Mother Teresa after she had a heart attack and subsequently became her personal physician. She had a huge impact on Dr. Shetty, which set the direction for his ambition of offering affordable health care. He always wanted to live in Kolkata, but his family wanted him to start his own hospital in Karnataka as their regional roots were there. His wife's hometown was Bengaluru, but their children were born in Kolkata. He still had an emotional attachment with Kolkata. In 1997, he moved to Bengaluru and started the Manipal Heart Foundation at Manipal Hospital, Bengaluru. He has been staying in Bengaluru with his family ever since.

With a generous financial contribution from his father-in-law who owned a construction company 'Shankar Narayana Constructions' (SNC), the construction of the hospital began, spread on 25 acres of land in Bommasandra Industrial Area on the Hosur Road in Bengaluru. He founded this hospital with a mission to make quality health care affordable and accessible to the common man worldwide. This is the reason he named it after his father-in-law 'Shankar Narayana' by calling it

'Narayana Hrudayalaya', which started its operations in 2001. Around the same time, he started Rabindranath Tagore Institute (RTI) of Cardiac Sciences in Kolkata as well.

Right from the beginning, he was clear about his philosophy of making healthcare delivery affordable and accessible for the common man by reducing costs. He managed to continue with the same philosophy. At the same time, Narayana Hrudayalaya (NH) was not a totally charitable hospital, because he believed that charity is not scalable. He never refused any patient. Everybody who came to the hospital got the treatment, even if he/she could not afford it. The hospital pitched in, saw to it and tried to fit him/her into one or the other category and helped to get treatment. He believed that money was an individual requirement, but he was not greedy. Even his professionals learnt to differentiate between need and greed over a period of time.

To provide affordable and high-quality health care to all, NH followed a hybrid model. Their hospitals had a three-tier fee-structure. In the first category, normal fees were paid by the general patients, who could afford the cost of the surgeries, the second category was for those patients, who were insured under government's microhealth insurance programmes, and the last category was of those poor patients, who could not afford heart surgeries (mainly children). NH also focused on reducing the costs of operations wherever possible, so that a large number of patients could afford to seek treatment. The surplus gained from the general paying patients and savings were used to subsidise procedures that were performed at, or below, the cost for those patients, who could not afford. NH had a separate charitable wing, where money was collected from all the charitable organisations that had come forward to help his endeavour. One such organisation was 'Have a Heart', a group of business persons from the important business streets called the 'Commissionerate Street' of Bengaluru. They helped poor people, mainly children, who could not afford heart surgeries. Several NGOs too came forward to help. The hospital had a separate package for them. These organisations paid the hospital on behalf of the patient. Sometimes, they collected small sums from the patient and put in the rest from their funds, while providing every service to the patient. For the patient, the surgery was almost free of cost. These NGOs had already helped the hospital do more than 1500 surgeries. Out of the 32 heart surgeries a day, about 35–40 % were charitable, where patients either had paid a small sum or nothing at all.

Dr. Shetty put all his efforts into delivering quality health care to the masses worldwide and innovated various things. Another one of his innovative approaches *Yashasvini*, initiated in 2003, was a microhealth insurance programme for the farmers. He was the originator of this microhealth insurance plan. *Yashasvini* was his brain child, which the Government of Karnataka implemented for all those farmers and people from rural areas, who had been members of a cooperative for at least 6 months in the state of Karnataka. When Dr. Shetty started the *Yashasvini* scheme, the premium was about 5 rupees per head per month and that was the amount the insurer was paying for treatment. At that time, they were paying this amount only for the surgeries. Initially, 1.7 million farmers were enrolled into this

scheme, but only a few were required to undergo surgery. That is how it was possible to perform these surgeries.

Now, the number of enrolled persons has risen to three million. These three million are currently the members of *Yashasvini*. The scheme started with a beneficiary contribution of 60 rupees per year in the beginning, and in view of the enhancement of tariff for surgical procedures, it was increased to 210 rupees in 2012–13. The beneficiaries were entitled to 805 surgical procedures in 13 specialties in medical fields such as general surgery, gynaecology, cardiac, vascular, gastro, neuro, ortho, optho, paediatric surgeries, etc. NH is one of the recognised hospitals for *Yashasvini*. The only requirement is that they present their identity cards and they would then be taken care of by the hospital. Dr. Shetty was happy about this because poor farmers who could not afford quality health care, could now access it through the *Yashasvini* Scheme.

To achieve his aim of providing affordable and accessible healthcare delivery for masses worldwide, Dr. Shetty has developed three types of packages for the patients: general, charitable and *Yashasvini*. However, the quality of services is the same across all types of patients, for those in the general wards to the ones in deluxe rooms. He has always relied on the law of large volumes, whether it was for reducing costs at the hospital or initiating *Yashasvini* for the farmers. He wanted to 'Walmart-ise' the healthcare industry by bringing the costs down on account of high volumes and making services available to a much larger base. His group is now performing about 30–32 heart surgeries a day. When they started they were doing three surgeries a day in the first 1 month of starting the hospital and his ambition is to do about 65–70 heart surgeries a day.

Further, to achieve his mission he started using the innovative 'video conferencing' technique and transformed it into 'telemedicine'. This way, he could connect with more patients, especially from the remote areas of India as well as the world. There are 55 telemedicine centres in Africa, due to which, patients do not need to come all the way to Bengaluru for a consultation with Dr. Shetty. Sitting at the local NH's telemedicine centre, the patient is able to talk to Dr. Shetty, who examines their reports and tells them their problem and whether surgery is required or not. If not required, Dr. Shetty advises them from Bengaluru only to take some medications and to see him again after 1 year. It is almost like going to his door step. Dr. Shetty says, 'If I am not operating on one patient, I need not touch the patient. If I am not touching the patient, the patient can be anywhere'. NH was therefore the number one in telemedicine. The hospital was performing the highest number of telemedicine consultations and treatments. The 'telemedicine' was not only used for consultation and treatment of the patients, but also for continued medical education. Through telemedicine, the doctors too are learning new, advanced and specialised techniques of treatment from other hospitals located in different countries. For example, they learnt a particular procedure from the Hannover Hospital, Germany, and the Children's Hospital in Philadelphia, that were well versed with liver transplants in paediatric cases. They guided and advised doctors at NH from their respective locations through telemedicine. The learning was therefore happening both ways through telemedicine.

NH also conducts rural camps throughout the Karnataka and at other places; they have also taken the help of media in creating awareness and spreading messages. For example, through *Satyamev Jayate,*[7] a programme on Indian television, they got tremendous response from all over. Dr. Shetty has started a chain of Narayana Hospitals at various places in India such as Ahmedabad, Bengaluru, Kolkata, Jamshedpur and Hyderabad. The headquarter of NH hospitals was in Bengaluru. Narayana Hrudayalaya Cardiac Hospital, Bengaluru, is accredited by the Joint Commission International and has about 3500 employees. Dr. Shetty's philosophy is sincerely followed in all these hospitals. He is planning to open more hospitals in India as well as in other countries. They are opening one of their hospitals in Malaysia and another one in the Cayman Islands. In my interview with him in 2012, he talked of his hospital group expanding in the next 5–7 years to the capacity of 30,000 hospital beds. At present, they have about 50 % of that. His intention is to become the 'largest' healthcare provider on earth, and to be able to dramatically change the price structure of medical products (medicines, equipments, disposables, etc.) to further reduce the costs of delivering health care and making it more affordable to the people. In 2012, he got the *Padma Bhushan*, the third highest civilian award in India for providing affordable health care to the people.

4.4.1 Summary

Hearing of Dr. Barnaard's feat as a child in class 5, Dr. Shetty resolved to become a heart surgeon. However, he realised that the prohibitive costs of surgery made people avoid it. The solution was to make it more affordable and accessible to the common man by reducing costs. This was achieved by leveraging economies of scale, whether covering large masses under the government microhealth insurance scheme *Yashasvini* or innovatively using the benefits of technology, including telemedicine to reach them or use volumes to negotiate better prices from medicine and equipment companies. NH provides the best quality of heart surgeries to patients uniformly irrespective of whether they are rich or poor, Indians or from abroad. No patient has ever been returned because he/she could not afford to pay. All patients coming to NH find a helping heart!

4.5 Case 5: Geeta Ramanujam, Executive Director, Kathalaya

Geeta Ramanujam, 55 years old and married, is the 'Executive Director' in her social enterprise, Kathalaya, since its inception.

---

[7]Television programme in India based on social issues.

Geeta, originally from Tamil Nadu, was born in the Vile Parle area of Mumbai. Her father worked for a company called Caltex in Mumbai, and thus, her family had been living in that city. Her mother was a voice artist. Geeta was the eldest of three children, with a younger sister and brother. She did her schooling up to class 8 in Mumbai, following which, she moved with her family to Chennai due to her father's new job in the Indian Oil Corporation. Her education from class 9 and above was therefore in Chennai. Geeta did her matriculation from the Good Shepherd Convent School. She did her degree from SIET College, Chennai, but in 1977 she got married after completing the second year of this degree course and therefore could not complete the third year.

Geeta belonged to a conservative Brahmin family. However, she was a rebellious child. She would always wonder why women do not have equal rights as men or why women were always underestimated. Geeta always wanted to prove that a woman is capable. Being the eldest among her siblings, her parents got her married early in life. It was an arranged marriage fixed by her mother. The groom was an IITian based in Canada at that time. After her marriage, she shifted to Delhi with her husband and then to Bengaluru, where her husband found a job in 1980. By this time, her daughter was born.

Her husband was a thrifty person and even though there was never a financial problem in the family, he would spend money in a highly economical manner. Geeta had to give explanations for every expense she incurred and an account for which money was required. She had to get his permission even for necessary home expenses such as buying vegetables or curtains and other petty expenses. So, it was difficult for her to manage her home expenses. Hence, she started thinking of a way to earn money avoid seeking her husband's permission all the time and spend as per her wishes. She then thought of taking up a job and becoming financially independent. She was successful in finding a job at a school, on a condition set by the principal—that she finish her graduation. He said, 'I don't want to say "No" to you, despite the fact that you are not a graduate, because I know, you can'. In fact, it was this person who sowed the seed of a thought in her mind that every woman should be 'equipped' to be independent. Women should feel confident to be empowered and it is the right of every woman to stand up in the society. She looked at him and thought, 'if someday I too have an education, I would like to do as he does—empower women, empower people'. She promised him that she would finish her third year of her graduation. This was the beginning of her journey.

When she informed her decision to her husband, he was against the idea of her going to work outside the home. He felt that he was earning more than enough to support both of them. She was persistent in her requests and explained that the school was right across the street from her home and that all the teachers were women. Reluctantly, her husband agreed and permitted her to work at the school.

Soon, Geeta started working in the school and enrolled for the third year of her degree course. She needed college attendance to qualify for appearing privately for the exam. Hence, she went back to Chennai once again to request the college principal to grant attendance, but this request was refused. Geeta could not see any other option, so she lied by saying that her family was dependent on her.

This convinced the principal to grant her attendance. She managed to pay the fees from her salary.

Every day after that, Geeta would sit through the night to study, after putting her child to bed. She did not tell her husband about it. Slightly before her examinations, she told her husband that she needed to visit her mother in Chennai. Taking her child along, she went to her mother's place in Chennai and wrote all the exams. Having completed her bachelor's degree, she then secretly enrolled for her M.A. too.

Thus, her first job was that of a teacher in 1980, which she did until the completion of her degree. This job involved working with little children, teaching them to act, play, learn music and alphabets, all of which Geeta found highly interesting and a great learning experience. In addition, she got tremendous support from the school staff towards caring for her 1-year-old child, whom she would carry with her to the school. Simultaneously, she also managed all the household responsibilities. Her original idea was not to become a teacher, but her husband allowed her to only accept a teacher's job. Over a period of time, she realised that teaching was the best job for her if she were to balance household responsibilities as well as look after her baby. It was tough to do so, but she managed to follow through with all her responsibilities and commitments. After all, her resolve was to equip and build herself. She wanted to be financially independent and enhance her education. She believed that 'knowledge is power' and that once she got a degree, it would be relatively easier to get a job.

Later, she joined as a history teacher in a private school called the Valley School. The students seemed disinterested in history as a subject. So in her efforts to make the subject interesting for students, she experimented with new ways of teaching history by engaging in storytelling, describing the characters mentioned in history textbooks in great detail. The students were highly excited and enjoyed the fact that Geeta brought the class to life. This brought home the realisation that a teacher was a person who moulded a child, got into his/her head, knew his/her favourite subject and shaped his/her thoughts and action. She also realised that it was important for teachers to feel a sense of responsibility, commitment and passion about their roles as educators.

Realising this responsibility, she started inventing new ways of teaching to make studying more interesting for the children. However, she did no realise that subconsciously and subtly she was telling them stories. Soon, she became very popular among children, but the director and other senior teachers did not like her way of teaching. As a result, she was transferred to the library. She was upset. But following her friend's advice, she did not give up and did not resign; rather she took it as a challenge. She innovatively built the whole library. In order to encourage students to engage in reading, she started telling stories from the books, explaining about the authors and the context. When she would start telling stories, they would get thrilled. She gained popularity as a very good storyteller.

In 1996 for the first time she participated in a storytelling workshop in the city of Bengaluru. Word spread through newspapers about her storytelling. In her school, two other teachers—pottery teacher and English teacher—started using her stories

for teaching their respective subjects. Then, keeping these two teachers in mind, Geeta thought, 'Why not combine, and invent a new way of teaching and learning for children, why not start a new system of education—learning through stories?' Soon enough, all three teachers resigned together in 1998 to start their own social enterprise, 'Kathalaya', a trust. Neither her parents nor her husband supported the idea of her becoming a social entrepreneur and starting her own organisation, except the other two teachers who joined her. Despite such opposition, she was confident about her idea and deeply believed in its power. She wanted to prove to herself, her husband and to her parents what she was capable of, because they were scared and underestimated her capabilities. It was quite challenging for her, but she wanted to prove to them that it was not about age, or about anything else. It was just passion.

The 'Kathalaya Trust' used storytelling as an educational and communicative tool to affect change in society. They introduced stories related to the curriculum in the classroom with the aim of enriching the curriculum. Weekly storytelling sessions were held for children in primary classes (classes 1–5) in schools, along with other activities mentioned in the curriculum. The schools were from both categories: private and government-aided rural schools on the outskirts of Bengaluru. They taught mainly two subjects through storytelling, namely environmental studies (EVS) and languages.

Today, Kathalaya has 25 rural schools on the Kanakapura road in Bengaluru, and it has already introduced storytelling as a part of curriculum in two states—Andhra Pradesh and Karnataka. The Government of Karnataka had introduced storytelling as a language development tool in all their state board schools. 'Kathalaya' conducts short-term and long-term certificate courses in storytelling and is affiliated to the International Institute of Storytelling, Tennessee, USA. The course includes the essentials of integrating storytelling into education, storytelling techniques, extrinsic and intrinsic qualities of a storyteller, importance of gestures and body language, use of *chitrakathas*,[8] toy theatre, mask making, origami, clay modelling and puppetry in project presentations. Geeta then started the 'Academy of Storytelling' in 2006, a training institute to train storytellers. The diploma course of the academy had an affiliation with the University of Edinburgh, UK. 'Kathalaya' provided training to the trainers, diplomas in education, consultancy and organised workshops, storytelling festivals and events. Mysore University incorporated storytelling as a subject. Azim Premjee University introduced MA in education with storytelling as a part of the open course. Geeta's ultimate dream is to establish a 'Story Land'.

With its main office at Bengaluru, 'Kathalaya' also has other offices in Chennai and Delhi.

---

[8]A way of storytelling, in which a story is told using pictures.

4.5.1 Summary

Coming from a conservative family, Geeta wanted to prove that women have a rightful place in society. Despite opposition and adversity, she educated herself and took to teaching as it was the only occupation her family would allow. She loved working with children and had a flair for storytelling. She strongly believed that teachers have the greatest role in moulding a child, and she decided to use storytelling as an important tool of educating them. Through Kathalaya she worked to get it included in the curriculum in two states and there is an increasing awareness about this innovative way of learning.

4.6 Case 6: Irfan Alam, Chairman, Sammaan Foundation

Irfan Alam, 31 years old and unmarried, is the chairman of his social enterprise 'Sammaan Foundation'.

Irfan was born in 1980 in a lower middle class family in Begusarai, situated in north Bihar. His parents originally hailed from the Chhapra district of Bihar. His father was a government employee in the 'Barauni Thermal Power Project' of the Bihar State Electricity Board and was posted in Barauni, in Begusarai district of Bihar. His mother was a housewife. Irfan had a fairly large family, consisting of his parents and seven siblings—five brothers and two sisters. His parents had never been formally educated, but they ensured that all their children went to the best of schools. There was therefore always a good educational environment in their house, also because his brother was preparing for the civil services examinations. In fact, 60 % of the father's total income would go towards the educational expenses of the children. The parents tried to inculcate good social and moral values in their children while bringing them up. They never imposed their will on any of them, merely encouraged them to be, and do, their best in whatever they chose to do.

Irfan was exceptional at his studies and had always been an outperformer. He never disappointed his family because of his studies and all his family members always had a lot of confidence in him. From an early age he wanted to be independent. He loved his ideas and his books. From class 5, he started to write a diary, which he called the 'Idea diary'. As a child, he was very fond of comic books, but did not have the money to buy them. When he was in class 5, he got the idea of gaining access to more and new comic books. He started giving his own collection of five to seven comic books to his friends on rent, using this money to buy more comics. Within a span of 3 years, he ended up with a library of comic books, having a collection of nearly 1200 comic books, without asking for any additional money from his parents.

In 1999 when Irfan was still a teenager, his father lost a significant amount of his savings invested in the Unit Trust of India (UTI) owing to the 'Harshad Mehta' stock market scam. His father became very frustrated. To help his father overcome

this crisis, he started taking an interest in studying the stock market. He spent two to 3 years to understand it. Soon after, he started giving suggestions to his father about making investments in the stock market, which turned out to be profitable. Irfan's recommendations would be based on strong fundamental knowledge about the stock markets, gathered by studying business magazines and newspapers such as the 'Dalal Street Journal' and the 'The Economic Times' and watching business channels such as Jain TV. Slowly, he got engaged in his father's tax planning. When his father started to recover his money, his friends too started taking his son's recommendations for investing in stocks. Irfan found this to be an opportunity to make money. He started charging them for his advice. Finally, at the age of 13 years, he launched his first company, a proprietorship firm. He was a minor, so he made his father a joint applicant for banking purposes and continued working for his portfolio management firm. Before he reached class 10, Irfan was already investing and managing portfolios of an average of Rs. 10,000,000. He started doing well in the stock market and found it to be a fabulous job.

After passing out his class 12 exams, he enrolled in a college in Begusarai to complete his graduation in economics. On a very hot day in summer, an incident happened which changed his life. Irfan was returning from college. He was tired and thirsty; hence, he hired a cycle rickshaw from the gate of his residential colony to reach his home (company's quarter), a distance of approximately 1 km. Thirsty Irfan requested the rickshaw puller to give him some water. He said, 'I don't have money'. Irfan realised that he was talking about selling water. At that moment, the idea of selling water on rickshaws occurred to Irfan. He started working on that idea and within 2 weeks, he had identified five rickshaw pullers from his locality. He distributed five bottles of 'Bisleri' mineral water to each one of the rickshaw pullers. The price of each bottle was ten rupees. He would give one rupee per bottle to the rickshaw puller for selling the water and keep one rupee for himself. Irfan did not invest any money for this business as the distributor of 'Bisleri' was his stock market client. He easily earned 300–400 rupees on a monthly basis.

While doing this, he was able to observe the rickshaw pullers more closely and he started exploring this sector rigorously. For this purpose, he travelled extensively on rickshaws in different places like Patna, collected information about them and conducted extensive research. He found that in India 10 million people were engaged in rickshaw pulling as a source of livelihood. If an additional one million people engaged in the manufacturing of rickshaws and performing its ancillary work were added, the total number of people dependent on rickshaw as a source of livelihood rose to 11 million. Each of these 11 million in turn fed an average family of five, which was 5 % of the Indian population. This group constituted the poor and the marginalised that did not have access to health, basic education, shelter, finance and did not have any identity. When Irfan studied the whole market, he found that in India, 90 % of rickshaw pullers were not even owners of their rick-shaws. Of these, 60 % were seasonal migrants from Bihar, who would go to urban areas from their homes in rural areas after the harvesting season. He also observed their exploitation by owners of the rickshaw fleet. He realised that this was a massive sector, which had not yet attracted the attention of people.

Like any other entrepreneur, he looked at it simply as an unidentified and unexplored 'opportunity', with ample scope. Coming from a large lower middle class family, he had witnessed the financial struggle faced by his parents and wanted to start an enterprise for his financial interests, not for a social cause. He conceptualised his business model with the original idea of product sale and advertising on rickshaws. Taking the idea further, he thought if he could make these people earn a little more, he could also persuade them to start investing in the stock market. Then, he would do their fund management as well. This would not only add value to their lives, but it would be a new, original idea with the potential of making a real impact on people's lives and simultaneously earning profits. After graduation, he did his master of business administration (MBA) from Pondicherry University, followed by a management development programme (MDP) from the Indian Institute of Management (IIM) Ahmedabad and finally a leadership programme at the School of International and Public Affairs, Columbia University, USA.

When he went to the Indian Institute of Management (IIM) Ahmedabad, for doing a 3-month programme on management development, his mentor, a marketing expert, approved his idea. With his idea, Irfan participated in a business plan competition Business *Baazigar* on Zee TV and won the contest. Unfortunately, he had to turn down the offer of a handsome amount of money from the investors because he did not want to run it like a media company. He wanted to be able to provide social benefits to the rickshaw pullers, who would also be his beneficiaries at the same time as they would be customers. However, his investors were not convinced and they thought of it as being an NGO. In common parlance, providing social benefits to beneficiaries through a business model was considered 'social entrepreneurship', but for him it was a tool to create client loyalty to retain them and save his business model.

He never wanted it to function like an NGO, rather, as a socially relevant profitable business. He needed capital from the investors but realised that any potential investor would have the same concern. Hence, he registered his organisation in Ahmedabad called, 'Sammaan Foundation' under the Section 25 of the Companies Act, 1956. His aim was to create a larger market and to make his business model a sustainable one. He wanted it to earn a profit or at least be sustainable. Registering his company under Section 25 allowed him to do so. He could make profits, but these profits could not be distributed as dividends. He did not want his enterprise to be called an NGO, rather he preferred calling it a 'company'. He did not want to get a grant or donation from anybody. He believed that dignity consists not in possessing honour, but in the consciousness that we deserve it. The idea at the core of 'Sammaan Foundation' was to organise a micropublic transport sector, that is rickshaw pulling, and convert this potential sector into a promising earning source, thereby enhancing the standard of living of the family of rickshaw pullers.

He started his pilot project with 25 rickshaws in Noida with an initial investment of 10 lakh rupees, which he collected from his family members. It ran successfully and he wanted to expand it. Therefore, in addition, he took a loan of Rs. 25 lakh.

In 2006, when Nitish Kumar, the chief minister of Bihar, visited IIM Ahmedabad, Irfan met him along with other Bihari students on campus who wished not to get jobs, but create something on their own. Encouraged with the support of Nitish Kumar and the availability of adequate number of beneficiaries (or customers) in Bihar, Irfan began his work by financing 100 rickshaws in Patna, Bihar in 2007. In the first year itself, 'Sammaan Foundation' was making profit.

Initially, Sammaan Foundation started by giving them rickshaws, uniforms, bank accounts, identity cards and accidental insurance for the rickshaws, rickshaw pullers and their passengers too. Later, they included rickshaw-pullers' health insurance too. Apart from health insurance, he also developed the Sammaan *Swasthya*[9] Vertical, which operated mobile medical units. This comprised a big bus equipped with a doctor, a small operation theatre and facilities for getting X-rays, pathology tests, medicines and conducting certain other kinds of tests. The bus went to different locations and provided free health check-ups and medicines to the poor such as rickshaw pullers and other labourers of the unorganised sector. They had a tie-up with the government to run this project. He also helped rickshaw pullers in sending their children to schools and getting an education. In short, through his social entrepreneurship venture, Irfan was able to provide them access to finance, insurance, healthcare services and provided their children access to education.

After this, not-for-profit (NPO) initiative aimed at empowering rickshaw pullers and linking them with the main market, Irfan later started another company called 'Sammaan Ventures Limited', which was a for-profit company. In this business model, manufacturing emerged as a for-profit venture and as a result, a new manufacturing venture called, 'Sammaan Ventures' was launched. Through this venture, he made rickshaw pullers coowners, who also owned the equities of the company. It had an active research and development (R&D) centre that worked on improving the design of the rickshaw to make it more user-friendly and profitable. Rather than taking on highly qualified engineers in his team, Irfan engaged experienced, retired and senior rickshaw pullers as the best designers of rickshaws in his company. He changed the design of the traditional rickshaw and constantly worked on improving the current model. In mid-2012, through his team of senior rickshaw pullers, he innovatively created a battery-operated rickshaw. He dreamed of making this venture a public company soon.

Sammaan Foundation partnered with major banks to provide direct access to credit to rickshaw pullers to enable them to purchase improvised and traditional rickshaws. He has already been able to make nearly 30,000 rickshaw pullers owners of their rickshaws. Sammaan Foundation played the role of a guarantor and coordinated repayment of the loans, for which it received a commission from the banks for every bank account opened and for the loans repaid. Rickshaws were not only used for carrying passengers, but also for advertising products and selling various consumer products such as water, cold drinks and fruit juices to supplement the

---

[9]'Swasthya' is a Hindi word. It means health.

rickshaw-pullers' income, since they got a commission on it. However, money earned from carrying customers went entirely to the rickshaw puller. Simultaneously, passengers got the facility to buy these products on their way in the rickshaws itself. In addition, newspapers and FM radio too were made available in the rickshaw to entertain the passengers.

Sammaan had four sources of revenue generation: advertisement, manufacturing, product sale and financing. Irfan also saw an opportunity in carbon trading, where they would work only as an agency to pass the profit to the rickshaw pullers, which would help rickshaw pullers to earn slightly more income. He also came up with low-cost shelters for rickshaw pullers and other labourers of the unorganised sector, whose household income varied between 10,000 and 20,000 rupees and who did not have their own house.

Irfan won several awards such as the World Bank Innovation Award, US–India Business Council Leadership Award (USIBC) for social entrepreneurship, and fellowships from Ashoka, TED,[10] Ford and 'Foundation for Youth Social Entrepreneurship' (FYSE). He was also felicitated by US President Barack Obama in an entrepreneurial summit held in Washington DC in April 2012. Recently in 2012, Serco Institute covered his work in a study titled 'Frugal Innovation', while stalwart management guru Philip Kotler and Sameer Deshpandey included his work in the book titled 'Social Marketing in India'. Sammaan's main office in Patna (Bihar) has 15 employees.

4.6.1 Summary

An idea person from an early age, Irfan created a small library of comic books by renting out his existing stock to friends. When he started working to help his parents recover from a financial accident he started thinking of becoming an entrepreneur. A chance encounter with a rickshaw puller on a hot summer afternoon acted as the trigger. Working closely with this large untapped unorganised segment, he started out by offering customers a comfortable ride and using free space on rickshaws for advertising and helping the rickshaw pullers earn more money. Increased income allowed rickshaw pullers to purchase their own rickshaws and educate their children. 'Sammaan' worked with rickshaw pullers to bring them bank linkages, health services, affordable housing solutions and most of all, respectability to their jobs. With improved financial conditions, several of them have moved on to owning auto-rickshaws and renting out their rickshaws.

---

[10]The TED Fellows programme is designed to bring together young world changers who have shown unusual accomplishment and exceptional courage.

4.7   Case 7: Dr. Ashwin Naik, CEO, Vaatsalya Healthcare Solutions Private Limited

Dr. Ashwin Naik, 39 years old and married, is the CEO of 'Vaatsalya Healthcare Solutions Pvt. Ltd.'.

Dr. Naik, cofounder and CEO of Vaatsalya, grew up in Dharwad, a small town of Karnataka, where his parents were settled. Right from the start, his parents wished to see their son grow up to become a doctor. He had also seen the struggle of his parents in accessing decent healthcare services, for which they would often need to go to Hubli and sometimes to Bengaluru. He completed his MBBS from Karnataka Medical College, Hubli.

Dr. Naik and Dr. Veerendra Hiremath (another cofounder of Vaatsalya, who was 2 years junior to Dr. Naik in medical college) were roommates at the Karnataka Medical College in Hubli. After completing his MBBS, Dr. Naik went to pursue his higher studies and get a masters degree from the University of Houstan, Texas, in the USA. He spent 6 years in the USA, initially studying and later, working. He worked for Celera Genomics, Maryland, where he was instrumental in coordinating multidisciplinary teams to compile and analyse human and mouse genomes. When he returned to India in 2002, he briefly worked with a start-up called, Molecular Connection, in Bengaluru. After this, he joined the founding team of Triesta Sciences in Bengaluru, a clinical research organisation that conducted advanced genomic research in the field of oncology. Initially, Triesta started with large urban hospitals, but soon moved these hospitals to smaller cities and towns for collecting data. During his visits to smaller towns, Dr. Naik became aware of the acute shortage of basic healthcare facilities, driven largely by the unavailability of medical practitioners. He also observed that despite a large unmet demand for good quality healthcare facilities in these small towns and cities, doctors originally from these areas with an education from a larger city, were not willing to go back and work in these areas. This was because there were no opportunities for them in these smaller towns. Dr. Naik also found that the doctors faced great difficulties in establishing their practices in such areas as they lacked the basic infrastructure such as hospital buildings, comprising facilities such as an emergency room, operation theatres and the medical equipment necessary for delivering primary and secondary care.

Around the same time, he happened to meet his old roommate Dr. Hiremath, who was working in Malaysia at that time. Dr. Hiremath had earlier specialised in hospital administration from ASCII, Hyderabad. Both Dr. Naik and Dr. Hiremath started discussing this problem of unmet demand of healthcare services in smaller towns in India and realised that there was a need to solve this problem. Finally, they came up with the idea of starting a network of hospitals in tier-II (semi-urban) and tier-III (rural) cities of India, because one hospital in a town would not have much impact. In order to de-risk their employment model, they decided to focus solely on primary and secondary health care, not on tertiary health care. They knew that the availability of specialist doctors needed for running a tertiary care hospital was far

less as compared to doctors needed for primary and secondary care. To meet the healthcare needs of the semi-urban and rural population, they decided to setup a chain of no-frills low-price hospitals in small cities and towns of Karnataka.

Despite coming from a medical background, Dr. Naik had no desire to set up a hospital and run it. However, when they put two of their experiences together, that of their families not having proper access to health care and their classmates not going to practice medicine back in their hometowns—they looked at it as an opportunity to resolve this deadlock situation. This was an opportunity for them to do social good and run a sustainable business. They both quit their respective jobs and started working together to give a final shape to their idea and execute their plan of creating a hospital to address the healthcare need of semi-urban and rural India. They came up with this idea in 2004, registered their organisation as 'Vaatsalya Healthcare Solutions Private Limited', which started its first hospital in 2005 in Hubli, Karnataka. Dr. Naik and Dr. Hiremath made the initial investments in their venture using their savings. Later, when they came up with an actual business plan with details on what exactly they wished to do with their model, they managed to raise money from investors. In 2005, after 3 months of starting, they identified people that were known to them and had some money to give. The first set of investors was their friends and professional contacts essentially within their network, who gave money to set up the first hospital in Hubli. After setting up their first hospital in Hubli, they raised some money from institutional investors such as *Aavishkar*—a social venture capital fund. For the first time, *Aavishkar* defined this business as 'social enterprise'. Vaatsalya Healthcare Solutions Private Limited focused on semi-urban and rural population that had limited access to good quality healthcare services, and where the income levels were significantly lower as compared to the urban population. The hospitals in this chain catered to middle- and low-income families. To make healthcare services affordable to the people, it offered 'no-frills' services by engaging in optimum utilisation of its resources. In addition, to maintain its quality in delivering good health care, it did not compromise on investments related to training of its staff. Their rooms in the hospital had minimal services. In fact, in many of their hospitals, there were no air conditioners in the rooms. They were very careful in the selection of doctors for their hospitals, from an ethics perspective. They looked for committed individuals from the semi-urban or rural backgrounds. This, in turn, also provided opportunities for their professional growth.

Even though 'Vaatsalya' represented a low-cost model of promoting affordable and accessible healthcare services to the semi-urban and rural population focused on efficiency and quality, it could not work with the lowest 30 % of the poor population. This group of people could not even afford the basic services in Vaatsalya hospitals. Dr. Naik tried hard to cater to this section of the population through various social insurance schemes or microhealth insurance programmes of the government such as *Vajpayee Aarogya Shree* Programme,[11] and government

---

[11]One of the government's health insurance programmes in India.

welfare schemes such as the National Rural Health Mission (NHRM) for neonatal services. Dr. Naik and Dr. Hiremath consistently conducted new experiments, tried different projects keeping in mind that these had to be financially viable and sustainable for the company, to reach out to more people and create higher social impact. For example, to provide affordable services for normal delivery of pregnant women in rural areas, they built partnerships with an NGO, *Deshpandey* Foundation and created a 'Birthing Centre' on a pilot basis in a remote rural area, 20 km away from Gadag. They charged 1000–1500 rupees for a normal delivery, and in case of any emergency, they sent the patient to the nearest hospital.

Started in 2005 as India's first hospital network focused on tier-II and tier-III towns, Vaatsalya has grown to a total of 17 hospitals across Karnataka and Andhra Pradesh. There are 11 hospitals in Karnataka—Hubli, Gadag, Bijapur, Gulbarga, Shimoga, Tarikere, Hassan, Mandya, Mysore, Malur and Chikmagalur, and six hospitals in Andhra Pradesh—Anantapura, Ongole, Vizianagaram, Narasannapetta, Hanamakonda and Proddatur. Starting from hospitals with 20 beds, they have grown to hospitals with 50–70 beds.

Today, Vaatsalya has a mix of hospitals, which also includes counselling services. Each hospital is well equipped with operation theatres, maternity services, neonatal and adult ICUs, pharmacy and diagnostics. Their four main focus areas are gynaecology, paediatrics, general surgery and general medicine. Apart from these, they also provide nephrology/dialysis in some of the hospitals, whenever required. They are planning to expand in one or two more states (perhaps Maharashtra and Tamil Nadu) in the near future. He proved that a model promoting 'doctors as entrepreneurs', could not only deliver quality services, but also replicate and expand Vaatsalya's model on a larger scale. The success of his healthcare service company demonstrated the viability and potential of small–medium-sized private hospitals to efficiently serve impoverished citizens. Dr. Naik's work has been recognised all over India and the world. He had received several awards for his work such as the TED India Fellowship 2009, the Lemelson Recognition and Mentoring Programme L-RAMP[12] Award for Innovation 2008, Sankalp Award for Social Enterprise 2009, Frost and Sullivan Healthcare Excellence Award 2010 for its innovative business model, Ashoka Fellow 2010 and World Economic Forum's (WEF) Young Global Leader Award 2012.

4.7.1   Summary

Witnessing his elderly parents' struggle to access quality healthcare services in his hometown, Dr. Naik decided to take up medicine as a profession. However, he

---

[12]L-RAMP is a joint initiative of Indian Institute of Technology Madras and Rural Innovations Network, supported by The Lemelson Foundation USA. It supports 'Innovations' that can eventually create an impact on the lives of the larger section of the society, especially of the underserved population.

found that several of his classmates never returned to their hometowns to practice after completing their studies. He himself worked abroad and in other cities before returning to found Vaatsalya with his friend Dr. Hiremath with the mission to provide quality health care in semi-urban and rural locations through a network of hospitals. Starting with their own savings and later backed by strong investors, the two doctors provide low-cost affordable quality health care to people who did not have access to it.

4.8 Case 8: Dr. Brij Kothari, CEO, BookBox Pvt. Ltd.

Dr. Brij Kothari, 48 years old and married, is the CEO of his social enterprise 'BookBox'.

Originally from Rajasthan, Dr. Kothari was born in Nanded, Maharashtra, where his father had his business. His father wanted to provide the best available education to his children, so he selected Sri Aurobindo International Centre of Education (SAICE) in Pondicherry for them. From 1987, Kothari studied in the SAICE at Pondicherry. The entire course until graduation was in French and English, along with a major emphasis on Sanskrit. He also learnt Hindi, Bengali and some Italian. Later, he got a master's degree in physics from the Indian Institute of Technology (IIT) Kanpur, India, followed by a master's degree in communications, and finally a PhD in adult education, both from Cornell University, USA. His doctoral study was on the conservation of indigenous knowledge in Andean, Ecuador. During his PhD, he also learnt Spanish. While he was trying to learn Spanish in the USA, he watched several Spanish movies on video with English subtitles. At one such moment, a thought occurred to him. He thought if the subtitles too were in Spanish, then he would be able to grasp the language better, because what he heard and read would be in the same language. This would speed up the language learning process because he would be able to hear and understand it better. This gave birth to the idea of same language subtitling (SLS) in his mind. Thus, while learning Spanish, he got the idea of subtitling Bollywood film songs in the *Devanagari*[13] script, and Gujarati[14] songs in Gujarati and so on in other regional languages.

After the completion of his academic pursuits, he came back to India. In late 1996, he joined the Centre for Educational Innovation, at the Indian Institute of Management (IIM) Ahmedabad, as an associate professor. While teaching communication to MBA students, he started his research work on SLS at IIM. Soon enough, it became a project at IIM.

---

[13]Name of the script used in Hindi Language.

[14]One of the local languages used in India. It is mainly used by the people from the Gujarat State of India.

Aware that using academic research to validate his idea would have a high impact on mass literacy and take it to the next level, he started to take on other more social entrepreneurial roles. He started raising funds for it by applying to various funding agencies such as the World Bank Award, Tech Laureate Award, etc. He won them all. With that money as capital, he started 'PlanetRead', a not-for-profit organisation, registered in the USA and in Mumbai, India, with the simple vision of a reading planet—a place where anyone could have access to interesting and affordable reading material in all languages—native and non-native. PlanetRead pioneered the concept of SLS for mass literacy and reading development, by suggesting its implementation in the immensely popular Bollywood film songs on TV in India. The idea was that if one could read what was being spoken on screen in the same language, one could relate these together to understand what was being communicated. SLS could make learning a new language easier and more fun. Thus, PlanetRead contributed to literacy worldwide by innovating and implementing simple, scalable and cost-effective solutions, by using mass media and information technologies.

In 2004, after winning a 1-year fellowship at a business plan competition at Stanford University, he along with his team members, founded 'BookBox Inc.', a for-profit social enterprise in Pondicherry. 'BookBox Inc.', worked towards the same mission as 'PlanetRead' and supported its mission. 'BookBox' was also technically registered in the USA.[15] 'BookBox' was a social enterprise that innovatively created the concept of 'AniBooks' or animated books to support emergent literacy and language skills. 'AniBooks' flowed from a simple fact—children loved to watch cartoons. Thus, 'AniBooks' were animated stories for children, with the narration appearing onscreen in the form of SLS. In their conception, a 'book' was a reading experience that could travel in print and other audio-visual media. 'BookBox' was a Web-based jukebox of digital books, producing children's animated stories in more than 25 languages (Indian as well as foreign).

The mission of 'BookBox' was to create content or produce animated stories to help improve reading skills and language learning, ultimately promoting a love for reading. This scientifically tested and proven innovative approach of SLS was at the heart of BookBox's strategy. Hence, the mission of the 'BookBox' was very simple —to bring literacy and reading to hundreds of millions of people. They wanted to make small changes that allowed 200–300 million people to actually read on a regular basis and create a very big impact.

'BookBox' aimed to provide access to reading content or a 'book' for every child in his/her own language. They wanted it to provide this through 'Edutainment'—a mix of education and entertainment. They always tried new things that added to this combination to make it beautiful. They created entertaining content, such as animated stories, through which language learning and reading 'just happened', and reading happened merely as a by-product. Their product was

---

[15]Even though most of the major work of BookBox is performed in India, the company is a legal entity in the USA too.

about presenting an animated story, with SLS, and they tried to deliver it through different platforms. For example, they created an application for iPad, iPhone, iPod Touch, Android mobiles, mobile phones and Aakash tablets. The past year, they launched the 'Legendary Lives' Series based on the lives of Kiran Bedi, Dr. Abdul Kalam, among others. They used the latest digital distribution channels to get all their reading contents 'out there' for free, so that worldwide, people using YouTube and the Web could access it.

Currently, about 10,000 people see the reading content every day. The aim is to get at least a 100 thousand views per day. All the basic contents, games and activities are available on their Website to watch for free, but if somebody wants to have a bilingual combination of English and other languages, s/he could pay for it to download. Their content is now available on television too. Their goal has always been to be use television to reach those at the bottom of the pyramid, to take advantage of the enhanced reach so that more people could watch these contents and get reading practice in the process.

BookBox charges for content but offers a lot of extra features. Now, BookBox is moving towards the model of giving people the tools to convert their stories in their own languages and then putting it out there. Their content is not restricted to India alone several parts of the world also have access. They have launched a CD product with Shemaroo and Times Multi Media. They have also collaborated with book publishers such as Orient Blackswan. Their stories are available on CDs, VCDs and DVDs. In sum, BookBox creates content for a variety of audio-visual media platforms such as broadcast TV, DVD/VCD, mobile phones, handhelds and the Internet. Even though some of it is also in print format, it has largely been an online-driven model. Now, they are trying to reach out even more strongly to schools, both in India and internationally. For this reason, they have collaborated with some NGOs such as 'Pratham', working for the education of children in India. Prior to this, they also worked with Sir Ratan Tata Trust and made their titles available in tribal languages, such as *Bhili* and *Santhali* where earlier there was no content available in those languages. These were shown to the tribals in areas where the trust works closely with them. BookBox is close to being a self-sustainable company and they expect to be in the green zone in a year or two.

From being a full-time faculty of IIM Ahmedabad, Dr. Kothari, an academic, became a social entrepreneur and finally adjunct faculty at IIM-A to maintain his academic links with the institute. Although he lives with his wife, two sons and a daughter in the USA, he spends his time in India too. His social enterprises have two offices in India—Mumbai and Pondicherry. However, most of the work that happens in Mumbai and Pondicherry is all connected to 'PlanetRead' and 'BookBox', respectively. They have separate employees for both the social enterprises, except a few that work for both. 'BookBox' has 15 employees.

4.8.1   Summary

In pursuit of his academic research, Dr. Kothari had to learn Spanish. His personal struggle with a new language made him realise the importance of SLS—reading subtitles in the same language that you are hearing and seeing the respective actions to fully comprehend what is being communicated. He decided to use this as a tool to improve literacy among children (for whom all languages are new) and among groups of illiterate people. Using mass media and innovative tools for communication, BookBox reaches out to masses.

4.9   Case 9: Kaushlendra Kumar, Managing Director (MD), KNIDS GREEN Pvt. Ltd.

Kaushlendra is 32 years old and unmarried. Since the inception of his social enterprise, he has been its managing director (M.D.).

Kaushlendra was born in a small remote village of Nalanda district in the state of Bihar. His mother was a teacher in a local school and his father was a farmer, who grew pulses, grains and vegetables on his farm. Kaushlendra had two siblings. He received his primary education in his village, after which, at 11 years of age, he was sent to a government-run boarding school away from home. His parents always felt that quality education was more important than living together in a family, since only education could lead one to a prosperous life. He did his matriculation from JNVR Nawada, followed by an engineering degree in agriculture from Gujarat Agriculture University in 2003. While doing his engineering studies, he got the opportunity to see the prosperity of Gujarat's farmers. They were well connected to the market. The situation in his native state of Bihar was the exact opposite.

After engineering, he did a 'Post Graduate Programme in Agribusiness Management' (PGP-ABM) from the Indian Institute of Management (IIM) Ahmedabad and topped his 2007 batch. Even though he had been away from home, he always felt emotionally connected with the poor marginalised farmers of Bihar, who mainly grew vegetables. Having come from a rural background, he was moved by the plight of Bihari farmers and wanted to enhance their socio-economic condition. Hence, after graduating from IIM Ahmedabad, he chose to pursue his lifelong dream of uplifting the socio-economic condition of farmers of Bihar and thus contributing to the rural development of Bihar. It did not matter to him that he ignored all lucrative job opportunities at multinational corporations.

As a topper of his batch in 2007 at IIM Ahmedabad, he was awarded 25,000 rupees as prize money. He spent the entire amount and the next few months travelling extensively in different villages of Bihar, exploring the feasibility of converting his vision of bringing prosperity to the poor marginalised farmers into reality. His idea was to work with small agriproducers, farm labourers and vegetable vendors and provide them sustainable livelihood and an improved life.

He wanted to be able to earn money even as he was serving his social mission of creating social change. Therefore, since the beginning he wanted to create two organisations with the dual purpose of supporting each other in achieving the same social mission and making profits.

In 2007, he started the 'Kaushalya Foundation' (KF), a non-government, non-profit organisation, registered as a 'Public Charitable Trust' in Patna, Bihar, which focused on mobilising and organising the informal and fragmented vegetable sector comprising resource-poor vegetable growers, vegetable vendors and farm labourers of Bihar. The goal of the foundation was to create gainful and dignified opportunities in self-employment for the families dependent on agriculture, especially the disadvantaged ones. These sections included farmers, farm labourers and agriculture produce vendors. He aimed to ensure sustainable livelihoods, enriched environment, improved quality of life and good human values.

He started his venture KF from scratch and with almost zero capital. Being an NGO, it could not take loans, and commercial activities too could not be done in a charitable trust. Hence, due to this legal issue, he founded another organisation, 'KNIDS GREEN Pvt. Ltd.', a for-profit venture in Patna in 2008. He took a loan of Rs. 50 lakh from Punjab National Bank for this purpose. He wanted to give equal benefits to all its stakeholders—farmers (small, marginal and landless-SMAL growers), the poor vendors at the two ends of the vegetable value chain, and finally, the consumers. He thought that this would reinvent the supply chain and build a formal vegetable supply chain. In other words, his aim was to benefit farmers, vendors, consumers and generate employment at the grass-roots level. He had put a system in place which brought together SMAL growers, value-adding intermediaries, vendors and consumers on one platform.

He also changed the marketing structure of vegetable selling by establishing the brand *Samriddhii* (meaning prosperity in English). He introduced the unique concept of selling *Samriddhii* prepackaged farm fresh products through *Samriddhii*-branded AC Push Carts. *Samriddhii* is a joint initiative of 'KNIDS GREEN Pvt. Ltd.', and KF. To maintain the quality, freshness and hygienic condition of vegetables, *Samriddhii* conceived and designed *Samriddhii* Green AC cart for vegetable vending in the Indian environment. This attracted the attention and recognition of the Government of India, resulting in the announcement of a subsidy on such carts. Vegetables were collected from small and marginal farmers at the village level and then, they were processed, graded and sorted before being transported to the distribution centre. The vegetables were sold not only on the carts, but they were also distributed to big hotels.

In the process of social value creation, he innovatively designed 'poly houses', where farmers could grow non-seasonal products. This was done by using some specific technologies. He also innovated 'Pusa Zero Energy Cool Chamber', which was a small store structure for storing vegetables. Pusa chambers for farmers were 100 % subsidised by the Government of Bihar. Therefore, at the time of data collection, it was found that farmers were able to get them with full subsidy in two districts—Nalanda and Patna. In association with different government agencies,

Table 4.1 Descriptive data of the cases

Sl. No.	Cases (main founders)	Sector of working	Sex	Age[a]	Marital status[a]	Religion	Education	Working experience	Regional background	Name of social enterprise	Current designation in org.	Interviews
1	Dr. Armida Fernandez (Ashoka Fellow 2004)	Health	F	69	Married	Christian	Medicine from Hubli Medical College; MD in paediatrics from KEM Hospital, Mumbai; specialised in neonatology	Worked with nuns in Dharwad; started as a senior resident doctor at Lokmanya Tilak Medical College and Hospital, Sion, Mumbai, and later became an assistant professor, and then dean of the institution	Originally Goan, but born and raised in Dharwad, Karnataka	SNEHA	Trustee	MF[b]
2	Shaheen Mistri (Ashoka Fellow 2001)	Education	F	42	Divorced	Parsi	BA from St. Xavier's College, Mumbai, M.Ed. from the University of Manchester	Volunteering experiences with kids of the communities, started volunteering at the early age of 12	Mumbai (Maharashtra)	Akanksha	Chairperson	MF, in-charge design class/director-art
3	Rajendra Joshi (Ashoka Fellow 2008)	Livelihood	M	53	Married	Hindu	BSC (zoology) from St. Xavier's College, Ahmedabad	Worked with St. Xavier's Social Service Society, an NGO for 3 years. Then worked with another NGO for 1 year	From Gujarat. Living in India since 1977. Grandparents had migrated to East Africa. Parents were born in Tanzania. Rajendra Joshi was born in Tanzania. Came to India in 1977, when he was 19 years old	SAATH	Trustee	MF, executive director, manager (R&D Cell), enrolment manager
4	Dr. Devi Shetty (Ashoka Fellow 2009)	Health	M	59	Married	Hindu	MBBS from Mangalore, MS from Mangalore	5 years experience in Guy's Hospital, London. 8 years experience in Birla Hospital and Research Centre. From 1998–2001 worked for Manipal Heart Foundation	South Kannada, village called Killigole near Mangalore, Karnataka	Narayana Hrudayalaya	Chairman	MF, GM[c] (corporate relations), admin executive

(continued)

Table 4.1 (continued)

Sl. No.	Cases (main founders)	Sector of working	Sex	Age[a]	Marital status[a]	Religion	Education	Working experience	Regional background	Name of social enterprise	Current designation in org.	Interviews
5	Geeta Ramanujam (Ashoka Fellow 2000)	Education	F	55	Married	Hindu	Masters in history, political science, Masters of education in english and social studies; Bachelor in library and information science	Initially worked as a teacher in a school. Much later she joined Valley School, a private school in Bengaluru (Karnataka)	Tamil Nadu	Kathalaya	Executive Director	MF
6	Irfan Alam (Ashoka Fellow 2010)	Livelihood	M	31	Unmarried	Muslim	Did graduation from Begusarai. After graduation, studied at Pondicherry University, Indian Institute of Management (IIM) Ahmedabad and School of International and Public Affairs, Columbia University, USA, for MBA, MDP and leadership programme, respectively	A lot of entrepreneurial experience since a young age	Begusarai, North Bihar	Sammaan Foundation	Chairman	MF, city manager
7	Dr. Ashwin Naik (Ashoka Fellow 2010)	Health	M	39	Married	Hindu	MBBS from Karnataka Medical College. MS from University of Houston, Texas	He had several years (8–10 years) of experience in life sciences and healthcare industry, in leading multidisciplinary teams in the USA and India, both in a large company setting and fast-moving start-up environments	Hubli, Karnataka	Vaatsalya Health care Solutions Pvt. Ltd.	CEO	MF, GM (head of pharmacy and diagnostic division)

(continued)

Table 4.1 (continued)

Sl. No.	Cases (main founders)	Sector of working	Sex	Age[a]	Marital status[a]	Religion	Education	Working experience	Regional background	Name of social enterprise	Current designation in org.	Interviews
8	Dr. Brij Kothari (Ashoka Fellow 2004)	Education	M	48	Married	Hindu	Schooling from Aurobindo International Centre of Education (SAICE) in Pondicherry. Masters in physics from IIT Kanpur. Masters in development communication, and PhD in education from Cornell University	Academician and social entrepreneur. Since 1996, regular faculty at IIM Ahmedabad and now he is adjunct professor there. Founder and trustee of PlanetRead, a non-profit involved in furthering same language subtitling throughout the world	Originally from Rajasthan, born in Nanded (Maharashtra) and grew up in Pondicherry	BookBox Inc., Pvt. Ltd. Co.	CEO	MF, chief operating officer (COO)
9	Kaushlendra Kumar (Ashoka Fellow 2009)	Livelihood	M	32	Unmarried	Hindu	He got his primary education in his village and did matriculation from JNVR Nawada. Then, he did agriculture engineering from Gujarat Agriculture University in 2003. and then did PG in management from IIM Ahmedabad	Experience of starting and working in his own NGO named Kaushalya Foundation	Nalanda district of Bihar	KNIDS GREEN Pvt. Ltd.	MD	MF, manager (HR)

Note [a]Age at the time of data collection, [b]MF is Main Founder, [c]GM is General Manager

Table 4.2 Descriptive data of social enterprises

Sl. No.	Name of the social enterprise	Legal form (year of registration)	Address of the social enterprise	Category of org.	Social mission	Working location	No. of employees
1	SNEHA (Society for Nutrition, Education and Health Action)	Charitable Trust (1998)	Urban Health Centre Room 310, 3rd Floor, 60 Feet Road, Dharavi, Mumbai-400017. India. Website: www. snehamumbai.org	Non-profit charitable	Health of women and children. Empower women to look at their own health, their children and their families, and bring about changes in their lives. In turn, change the whole community	Slums of Mumbai	150 including full-time and part-time consultants
					They do not provide treatment (that is already done in hospitals within the existing system of public health). They only empower women to look after their health		
2	Akanksha Foundation	Charitable trust (1991)	The Akanksha Foundation, Voltas House 'C' TB Kadam Marg, Chinchpokli, Mumbai 400 033. Website: www. akanksha.org	Non-profit charitable	To impact the lives of children from low-income communities, enabling them to maximise their potential and transform their lives	Mumbai and Pune (Maharashtra)	206
					To achieve this mission, Akanksha is providing education to these kids through two models—after-school centres and school model		

Table 4.2 (continued)

Sl. No.	Name of the social enterprise	Legal form (year of registration)	Address of the social enterprise	Category of org.	Social mission	Working location	No. of employees
3	SAATH	Charitable trust (1989)	SAATH Charitable Trust O/102, Nandanvan V Near Prematirth Derasar, Jodhpur, Ahmedabad Pin 380015, India. Website: www.saath.org	Non-profit charitable	To create inclusive societies by empowering India's urban and rural poor by utilising market-based strategies	Gujarat and Rajasthan	Full time: 104, part time: 28
4	Narayana Hrudayalaya	Pvt. Ltd. company (2000)	Narayan Hrudayalaya Health City No. 258/A Bornmasandra Industrial Area, Ankel Taluk Bengaluru-560099 India. Website: www.narayanahospitals.com	Hybrid	To make quality health care accessible and affordable to the masses worldwide	A chain of hospitals in different states of India. Started in abroad too	3500 in Bengaluru Hospital
5	Kathalaya	Charitable trust (1998)	Kathalaya 88, BHBCS Layout 2nd cross, 3rd main BTM II stage, Bannerghatta Road Bangalore 560076. Phone: 26689856. Website: kathalaya.org	Non-profit partly funded with own income	Use storytelling as an educational and communicative tool to affect change in society. The main aim is to enrich the curriculum by introducing stories in the classroom related to the curriculum	Andhra Pradesh, Karnataka	10 in Bengaluru

Table 4.2 (continued)

Sl. No.	Name of the social enterprise	Legal form (year of registration)	Address of the social enterprise	Category of org.	Social mission	Working location	No. of employees
6	Sammaan Foundation	Company registered under Section 25 of the Companies Act, 1956 (2005)	Sammaan Foundation Bihar State Office 2/30, SBI Colony No 2, Khazpura, Jagdeo Path Patna 800 014, Bihar, India. Telephone: +91-612-3260433. Website: www.sammaan.org	Not-for-profit self-sustainable	To organise a micropublic transport sector, that is 'Rickshaw Pulling', and convert this potential sector into a promising earning source and thereby enhancing the standard of living of the family of the 'Rickshaw Operators'	Bihar, UP	15
7	Vaatsalya Healthcare Solutions Pvt. Ltd.	Pvt. Ltd. company (2004)	Vaatsalya Healthcare Solutions Pvt. Ltd. 1, 2nd Floor (Opposite Nova Medical Center) 5th A Block, Koramangala, Bengaluru-560095. Website: www.vaatsalya.com	For-profit	To build primary and secondary healthcare hospitals and provide affordable healthcare services in semi-urban and rural areas (tier-II and tier-III towns), where it is needed most	17 hospitals across Karnataka and Andhra Pradesh	About 1500
8	BookBox Pvt. Ltd.	Pvt. Ltd. co. (2004)	BookBox India Pvt. Ltd. 66, First Floor Kamatchi Amman Koil Street Puducherry 605 001. Website: www. bookbox.com	For-profit	BookBox's mission is to create a 'book' for every child in this world in his/her language. The primary goal of BookBox is to not only promote a love for reading through extremely edutaining and culturally inclusive content from around the world, but also to give automatic reading practice to children	Pondicherry	15

Table 4.2 (continued)

Sl. No.	Name of the social enterprise	Legal form (year of registration)	Address of the social enterprise	Category of org.	Social mission	Working location	No. of employees
9	KNIDS GREEN Pvt. Ltd.	Pvt. Ltd. (2008)	Ramkrishna Nagar, Patna-27, Bihar, India. 0612-3268183, Website: www.kaushalyafoundation.org	For-profit	To develop a model to increase income and generate employment at the grass roots by an equitable and holistic development. To achieve his mission, his goal is to give equal benefits to all its stakeholders, that is, farmers (small, marginal and landless-SMAL growers) and poor vendors at the two ends and the consumers, by building a formal vegetable supply chain. In other words, to benefit farmers, vendors, consumers and generating employment at the grass-roots level	Five districts of Bihar and recently started work in UP	52

the organisation had been conducting capacity-building programmes for its growers and vendors.

The Government of India adopted Kaushlendra's integrated and inclusive model for vegetable value chain (*Samriddhii* model) and tried to replicate it in the form of the 'National Vegetable Initiative' (NVI) project in eight states of India— Bihar, Maharashtra, Chhattisgarh, Tamil Nadu, Haryana, Chandigarh and Karnataka. 'KNIDS GREEN Pvt. Ltd.' conducts the NVI project for the Bihar Government and provides consultancy services to Maharashtra and Haryana governments for the setting up of similar NVI models. In terms of procurement for their own project, they cater to five districts of Bihar, including Patna, Nalanda, Samastipur and Purnia. Five thousand farmers were registered with the organisation. In terms of marketing, with 60–100 carts they were catering solely to the Patna market in a small locality in the city. Covering the whole of Patna would mean an addition of at least 5000 carts, which was a very costly affair.

For the first 3 years, they ran the enterprise at a loss. In three and a half years of its operation, his venture revenue had touched Rs. 5 crore and began generating profits. He has established an efficient supply chain network to facilitate primary producers to link up with both input suppliers as well as with the market and government programmes/extension agencies, through a professional set-up. A key strategy of his approach is to develop dedicated operational and strategic relationships (partnerships) with key players in the value chain such as development agencies, banks, insurance companies.

He recently launched *Samriddhii* in Lucknow, Uttar Pradesh and received an overwhelming acceptance from the locals. The offices of this social enterprise are located in Ramkrishna Nagar, Patna (Bihar) and Gomati, Lucknow (Uttar Pradesh). In Bihar, it employs 120 employees, of which, 60–100 were vendors selling vegetables on the carts.

4.9.1   Summary

Having seen the struggles of a small farmer firsthand, Kaushlendra completed his education wanting to do something for them. Despite having lucrative job offers at IIM Ahmedabad, he decided to work with the poor and marginalised farmers in the unorganised sector and improve their lives. He did so by organising this sector, bringing in marketing concepts, such as branding and creating innovative products that added value to the entire ecosystem from growers to the vendors of vegetables. Apart from increased incomes, he helped them gain confidence and self-respect.

A description of all the social entrepreneurs (Table 4.1) and their social enterprises (Table 4.2) is summarised in separate tables.

Part III
The Process of Social Value Creation:
Toward Emerging Theory of
Social Entrepreneurship

Chapter 5
The Concepts of 'Social Value Creation' and 'Social Value'

Abstract This chapter explores the concept of 'social value' from the perspectives of both social entrepreneurs and the beneficiaries. All social entrepreneurs see 'social value creation' in bringing social change or creating social impact (long term impact)/outcomes (immediate or short term impact), while addressing social problems/issues/needs. This social change or social impact/outcome includes a wide range of social impacts, starting from creating awareness, empowering beneficiaries, bringing about changes in behaviour, attitude, perception, norms and institutions, to create socio-economic benefits for the beneficiaries and impact their lives at the institutional, individual, community, state, national and in some cases, the international level. Social entrepreneurs create value not only for the poor and marginalised people, but also for the affluent sections of the society. Beneficiaries perceive 'value' in getting various kinds of benefits created by social entrepreneurs for them, and in various positive changes and impacts (direct and indirect) in their lives brought in because of these benefits. Chapter 4 provided a brief description of each case included in the study. This chapter would first present an understanding of 'social value' from the perspectives of both social entrepreneurs and beneficiaries.

5.1 'Social Value Creation': The Perspective of Social Entrepreneurs

There is a consensus among scholars (Dees 2001; Dorado 2006; Thompson 2002) that social entrepreneurs pursue opportunities to solve social problems and create social value. Although the meaning of 'social value creation' is not clear in the existing social entrepreneurship literature, according to most scholars (Thompson 2002; Dees 2001, 2007), social value creation is about solving social problems or resolving social issues. I also found that all the social entrepreneurs included in the study identified some problems/issues in the society and then came up with their ideas on how to solve them. For example, Dr. Armida Fernandez observed that people in slums were not taking proper preventive and post-hospitalisation care. She also observed that women were not empowered enough to look after their and

their family's health. As a result, she decided to work in the slums; she realised that working in a hospital alone was not the solution to this problem. Kaushlendra Kumar observed that the vegetable sector was completely unorganised. The vegetable growers and vendors had been exploited. Their socio-economic condition was very poor. To solve this problem, he decided to reinvent the whole vegetable supply chain. Shaheen Mistri observed that children living in slums were not getting equal opportunities, so she decided to impact their lives through education. Dr. Devi Shetty observed that quality health care was neither affordable nor accessible to the common man. Therefore, he decided to change the whole process of delivering healthcare services to the people. He created his own hospital and following 'economies of scale' and by reducing the cost of health care, he has been trying to make quality healthcare services affordable to the common man. He said:

> Those, who can afford a bike, are rich. And those, who can't afford a bike are poor. Suppose, a bike costs 100 rupees. People don't have 100 rupees, they can't buy the bike, they are poor. Reduce the price of the bike to 50 rupees, then what happens? Half the population becomes richer, because they can afford the bike. So, if you want to make this world a rich place, you should try basically to make people rich, but that is very-very difficult task. And you…you will not succeed, because as everyone becomes richer, the cost of everything that they want, essentials also will up. It is a…you can never succeed. So, what you have to do is, identify what are the essentials for survival. Essentials…health care is essential for survival, food is essential, housing is essential. How would you survive without essentials? Right. So these things, if it costs 100 rupees…You look at what is required to bring it down to 50 rupees. Starting from your efficiencies, to the government policies. Right. Then, all of a sudden you double the rich population, without really making them rich, you offer… That is the easiest way. That's the only way this world will ever find solution to the problem.

Similarly, Dr. Ashwin Naik experienced the problem that quality healthcare services were not available in rural and small towns in India, and there was no infrastructure or facilities for doctors to practise in these areas. Thus, he came up with the innovative solution of creating a chain of hospitals in these smaller towns and cities and bringing professional doctors back to their native places. The rest all the social entrepreneurs also did the same thing; they first identified the social problems and then tried to solve those problems with their innovative ideas. It showed that all the social entrepreneurs through their innovative models wanted to solve social problems/issues identified by them. This was the most important aspect of their social mission. I also observed that by solving the identified social problems, they wanted to create a desired social change or social impact (long term impact)/social outcomes (immediate or short term impact). For example, Dr. Armida Fernandez focused on empowering women rather than treating them directly. Her focus was on the health of women and children. By empowering women to look after their own health, their children's and their families', she wanted them to bring about such changes in their lives that could change the whole community. She mentioned:

> We are not providing services. We are changing. We are getting them. So, we are empowering women. Addressed these issues, so, one is maternal new born health. We are neonatologist, so we did on new born health. The second is child health nutrition. Looking at nutritional aspects, changing attitude to nutrition, changing feeding pattern, getting

children to others to feed their children, children to eat better. Third is adolescent and reproduction health. And fourth is violence against women issues- physical and mental. It is almost cycle- from the mother, baby, child, adolescent and back to the mother. I mean, violence across.

She further mentioned:

Change in perception. When it comes to nutrition, social value is that we are ensuring that female child is fed as much as male child and equal value is given to the female children. We are trying to tell the mothers that the girls should be educated. In our whole adolescent project, when we are talking of social values, we are looking at girls, who would say, that don't get married before 18 yrs. You must get married after 18. Who will then talk… Some of them had, then got back to the parents and said no, how can you get someone married, at 18? She must be above 18 to get married. In sexual reproductive health, social value… Women is now coming forward to take contraceptive, what contraceptives, how to… These are all social values.

Thus, she was trying to bring changes in behaviour, perception and attitudes of the people. Similarly, recognising the importance of storytelling in influencing the thought process, Geeta Ramanujam tried to bring social change through story-telling. She has been trying to change and influence the behaviour of children and others through storytelling. She mentioned that storytelling is powerful and it can create a lot of changes in the society and influence the thought process of many individuals. Irfan Alam, Kaushlendra Kumar, all these social entrepreneurs wanted to bring changes in the lives of their beneficiaries through their efforts.

Other social entrepreneurs such as Shaheen Mistri and Dr. Brij Kothari have been trying to create social impact. Shaheen has been trying to impact the lives of children from low-income communities, enabling them to maximise their potential and transform their lives. To achieve this mission, her social enterprise, Akanksha, has been providing education to these kids through two models—after-school centres and school model. Dr. Kothari mentioned:

Our organisation's mission is very simple, to get literacy and reading to hundreds of millions of people. Not small impact ideas. But, perhaps make small changes to things that allow 200 million, 300 million people to actually read on a regular basis.

Similarly, working with his innovative model, Kaushlendra Kumar brought benefits to farmers, vendors and consumers, generated employment at the grass-roots level and brought positive social change for those engaged in the vegetable supply chain. The human resources manager at KNIDS GREEN Pvt Ltd mentioned about these changes. She said:

Earlier there was nothing for the vegetable sector. You must even not have heard about some policy coming for the vegetable farmers. You must have heard about the minimal prices for food grains Right, but not for vegetable sector. The best part is something at least has been initiated. So, something is now going to be big thing. At least government has started thinking in that way. And it's being on the very good level. If you go on the website and search, you will see lot of changes happening. Lot of things are coming from other states, from Bihar. Farmers are very hopeful. When they see that actually we are getting some benefits in terms of infra or training, so they get motivated. We have few farmers, who are so motivated, that… I mean they themselves provide ideas to us that; 'Sir, why

don't you do this?', 'Why don't you do that?' Actually, Poly House Training was coming from their side only. Poly House has been made. Now we need some kind of training for the hand holding of this. You know, This. So, we are doing.

Thus, Kaushlendra saw social value in creating and providing benefits to his beneficiaries, thereby creating a positive social change in the vegetable sector. Through his efforts, changes were coming not only in the lives of farmers, vendors and the local community, but the state as well. Now, government is taking initiatives for the benefit of farmers of the vegetable sector.

On the other hand, Dr. Devi Shetty wanted to change the norm and institutions related to the healthcare services provided to the common man. He knew that the regular business norm would not work in his hospital, because it is a different business altogether. He mentioned that a different frame of mind was needed to manage this and so, the requirement to build this kind of institution was totally different. It is rightly said that social actors have social skills, that is, an ability to read the current level of organisation in a field and respond to it by taking the position of other actors in the field (Fligstein 1997). In this study, Dr. Shetty, a skilled social actor, used his knowledge to understand the current level of organisation and take action for producing a new arrangement. He proved that it was indeed possible to provide accessible and affordable health care of high quality to the common man. He said:

> We believe that India will become the first country in the world to dissociate health care from affluence. 10 years down the line, this country will not be much wealthier than what it is today. You will see more buildings, and lot more developments in road and better connectivity and all the rest of it. But in terms of wealth of an average Indian it won't be greatly different. They will definitely have more wealth than they have, but it won't be vastly different for them to be able to buy everything they want. They will remain poor, but within their affluence they will be able to access high tech health care with dignity. As I said, what India will prove? India will prove that by reducing cost of the health care, we can offer healthcare to everyone. Then when somebody is rich or poor based on his ability to buy the health care will naturally become wealthier. We are… see, the concept of making country wealthy and people wealthy, is a wrong way of looking at the economic cycle. Because that will never be… you will never be successful, because in a country, where everybody is earning $50,000 per month, a person who is earning $5000 per month will be poor. Right. This is a wrong way of looking at… We feel that the cost of things will remain stagnant, and when our salary and everything goes up we can afford. It doesn't happen that way. This is like a mirage, you can never touch. You just make them stand out there and you just reduce the price. These are the essentials. We can understand car price going up, other amenities going up, but they should never debate about going to hospital, when they are in pain. Whenever you develop any colic pain or a urinary infection, the pain what you suffer is unbearable by the richest man to the poorest man, pain is the same whether person is rich or poor. But the poor has to continue with the pain because he has no money– that is not acceptable.

General Manager, corporate relations, Narayana Hrudayalaya (NH), mentions about the impact generated by Dr. Shetty. He said:

> Out of the 32 heart surgeries a day we do, out of that about 35-40% are charitable, either they will be paying a small sum or they don't pay anything. …We are only odd man out in this type of category. I mean, not in India, but in whole world. Everybody says how is it possible? Health care cannot be delivered to a common man, according to them. According

to Dr. Shetty, I am doing health care for a common man only. So, it is quite difficult and people were not accepting. People were trying and but right from the beginning we started doing it. We are doing it. And anybody, for example when we applied for Joint Commission International that is the highest quality recognition any hospital can get. It is given by one of body in US. That is the highest quality recognition that any hospital can get. We have got it. But before that when we were telling the world that we done so many surgeries and all that, they were making fun of… They were telling that that's the Indian way of doing it. That's possible, otherwise how is it possible at that rate and all that and they were making a comment. When they came in here and checked everything here, there is no difference between US hospital and my hospital. Whatever… the only thing is, doctors are different, patients are different. That's it. Otherwise, every other thing is the same. They are also doing the heart surgeries; I am also doing the heart surgeries. We also have OPD here, having catalogue here, everything they have, we are also having it. Same type of procedures being done here. Even the post-operative care, I mean, whatever you can find there, the same thing is here. And then they accepted, Yes, whatever he says is possible, but it is only possible for him, not for others. Everybody is trying to replicate or trying to find out how it can be and all that. It is difficult but it is possible. We have proved to the world it is possible. We have proved to not only in India, I mean in US and UK and all that. He was called to address, the Hard Talk… BBC's Hard Talk. There you know, he very clearly mentioned that in about a decade's time that we will be the world leader in delivering health care. Sitting in the lion's den talking to a lion this is how he said that it is possible. It is possible. We have seen in the last 10 years how it is and all that.

His case shows that changes in norms and creation of new institutions to deliver healthcare services to the common man at an affordable cost is also a form of creating social value, which he had been trying to bring at the community, state, national and international levels. He encouraged microhealth insurance services for the poor people and implemented them with state governments. Other states too were interested in initiating such microhealth insurance schemes for the poor. In fact, people from other countries also went to him to learn more about his model of delivering healthcare services to the people at affordable cost. So, changes happened not only at community level, but also at the state, national and international levels.

Seelos and Mair (2005) showed how in the context of a poor country social entrepreneurs catered to various levels of needs, such as the basic needs of individuals, institutional needs of communities and needs of future generations. Thus, the main objective of all the social entrepreneurs is to bring about a desired social change or social impact in the society. Following different innovative models to address social needs, problems and issues, social entrepreneurs created value for society by making healthcare services affordable to the common man (Dr. Devi Shetty), providing high-quality educational opportunities for slum children (Shaheen Mistri), enhancing learning and reading abilities of children (Dr. Brij Kothari), generating employment at the grassroots levels, increasing the income of farmers and vendors to provide fresh vegetables at reasonable prices (Kaushlendra Kumar) and empowering rickshaw pullers by providing socio-economic benefits to them (Irfan Alam). This might be the reason that Blundel et al. (2011) saw the growth of social enterprises in terms of the social impact that they generated for the beneficiaries.

I observed that by solving social problems or issues, the social entrepreneurs were trying to bring a range of desired social changes or social impacts (long term impact)/outcomes (immediate or short term impact), that is, social value. Hence, from

the social entrepreneurs' perspective, 'social value creation' is about bringing the desired social change or creating social impact/social outcomes, through a resolution of social problems/issues. These 'social changes' or 'social impacts/outcomes' include a range of impacts such as increasing awareness, empowering the beneficiaries, creating and providing socio-economic benefits to them, impacting their lives, bringing a change in their perception, attitudes, behaviour and finally, changes in norms. These changes occur at the institutional, individual, community, state and international levels. I observed that charitable social enterprises such as SNEHA, Akanksha and SAATH focused primarily on creating value at the individual, community and state levels. On the other hand, bigger for-profit social enterprises such as 'Vaatsalya' and 'KNIDS GREEN Pvt Ltd' aimed at bringing social change at the national level. Some social enterprises such as 'NH' and 'BookBox' intended to create social value at the international level. It reflected that they constantly worked hard to bring about 'intended' or 'purposed' social change (Mann 1987).

It is also important to note that by solving social problems and creating social values, social entrepreneurs influence the context. They bring positive changes in the context through the process of social value creation.

5.2 'Social Value': The Perspective of the Beneficiaries

The above data analysis shows the perspective of social entrepreneurs about social value creation. However, without the perspective of the beneficiaries, it would be an incomplete view of the process of social value creation. It is therefore important to present the beneficiaries' perspective on the social value or changes felt by them, because they were the receivers of social value and the ultimate targets of the process of social value creation as mentioned by Lepak et al. (2007).

The beneficiaries mentioned that through the initiatives of the social entrepreneurs, they received various benefits and facilities which they earlier lacked. These benefits not only created a direct positive impact, but also brought various indirect changes in their lives. Earlier, in the absence of these facilities, they had to suffer and face several hardships. For example, beneficiaries of 'Vaatsalya' saw value in getting high-quality healthcare services at a well-equipped hospital in their small towns near their villages. These beneficiaries belonged to middle class and affluent section of the society, who could afford to pay in order to avail the health care services provided by 'Vaatsalya'. It must be pointed out that the founder and beneficiaries both concurred that the healthcare services of Vaatsalya were not affordable for the poor. As opposed to this, beneficiaries from all socio-economic categories within and outside India were highly satisfied with the services of 'NH'. They found 'value' in getting high quality, affordable, immediate healthcare services provided by the doctors and staff of NH hospitals. This induced deep faith and trust for NH among them. Poor patients were extremely happy that they could also get quality health care through their microhealth insurances and without it. For example, a child could get a heart surgery because his father Yaalappa Hiremani

(NH-R1) was a *Vajpayee Arogya* Shreecardholder (a microhealth insurance programme provided by the government). His father mentioned:

> There is no hospital in our village and this is a heart operation which could cost three lakhs. We are poor people and cannot afford such costs. I have the *Vajpayee Arogya Shree* card, which allows free treatment for poor people. So we brought that.

They knew very well that Dr. Devi Shetty would treat them even if they could not afford his treatment. All of Dr. Shetty's patients had faith in him. Another patient Shiv Shambhu Kumar Dey (NH-R5), who came from Guwahati (Assam), was confused by the different diagnosis done by different doctors at his place. So, he came to NH for clarity. He said:

> I had gone to cardiologists in Guwahati and they gave me wrong information– somebody said there is a hole in my heart, somebody said I will have to get a pacemaker installed, somebody said the valve was faulty. I was dissatisfied with the reports so I came here for clarity. There, it has become a business. Everybody says come to me I will treat it. For the same condition if you go to 10 cardiologists there will [be] 10 diagnoses. There I am unable to trust the doctors.

He further mentioned:

> He [Dr. Devi Shetty] is God for heart patients. Because the person you can trust becomes God. All the people who have come here from Guwahati have got positive results from his treatment. Nobody has had negative result. Only God can do that.

Similarly, users of BookBox's products found 'value' in its efficiency or successful impact in helping children to learn new languages in an entertaining and a child-friendly manner, enhancing their reading abilities and introducing them to inspiring, legendary real-life stories. One of the respondents, Sukanya Partibhan (BB-R2), who used BookBox's cross-linguistic experiment (language subtitling) for her daughter when her daughter was two and a half years old, mentioned:

> A two and a half or three yrs. old can understand, if you explain to them. So, I used to explain her stories in Bengali and also, you have this option in BookBox stories of having twin languages. So you can first see it in, say, Bengali and then you can see it again in French or you can see it in French and hear it in English or in Bengali. Because of this option it was very useful for us. You can wish to read it in one language and hear it in another. First we used to read it together and hear it in Bengali, so she knew the story very well. So, later when we would hear it in French she could easily guess the meaning of the word because she had already understood it in Bengali. At that age she wasn't capable of reading anything so the sub-titling wasn't very useful. But at this age now when she is 5, going to be 6, she has started picking up a little bit of reading skills and she can guess the words and pick them up.

She further mentioned:

> Also the fact, that I could record my voice. BookBox gives you that option, it is based on 'karaoke', you can read it out in your own language, in your own voice. So, a child hearing his or her own mother saying the stories, they feel it really very… personal. Also, she hears stories from me before she goes to sleep. So if by chance one day I am not there and her father can play it on the laptop she doesn't miss me so much. So that is, I think a very sweet option that BookBox has given.

On the other hand, beneficiaries of 'Kathalaya', who received training in storytelling, found value in getting trained in using storytelling as an influential medium for various purposes, such as educating children or for corporate presentations.

For the beneficiaries of SNEHA, 'value' lay in elevated confidence, empowerment, self-reliance, improved awareness about various social issues (such as economic and social empowerment, health issues, child education and gender equality), improved health practices, attitudinal and behavioural changes among themselves, their families and the community, and finally, self-identity and respect in the community. One of the victims of domestic violence Rashi Sudhakar Bhidu (S-R3) said:

> I used to fear my husband more than anybody else. I used to be afraid of going out feeling that my husband will get angry and beat me. Now that I am not scared of him, I am not scared of anybody. Now I am more confident going out, working, and managing things. Now, I can also provide for my children. I earn so my children don't have to go hungry. I can fulfil some of their desires. I now want to work more. I will not marry my daughters early. I don't want them to live the life that I have lived, undergo, what I have gone through. I tell them to get education, work and become self-reliant.

It was observed that poor, marginalised vegetable growers, vendors and other employees got several benefits because of Kaushlendra Kumar's initiatives. One of the main benefits was the creation of vegetable collection centres at the village level for the procurement of vegetables, which solved the problem of marketing their produce. The other benefits included training inputs to increase the production, loan facilities in case of need, getting high-quality seeds at a reasonable rate, getting the right price for their vegetables and getting dignified employment. Describing the benefits, one of the vegetables growers of Phatuha block in Bihar Suput Chandra (KG-R1) mentioned:

> Now, we do not need to take vegetables to *Mandi*.[1] Mandi comes here in our village. Earlier we used to farm on two-four *Kattha*,[2] now we are farming on *Bigahas*.[3]

These benefits not only created direct impacts on them in the form of increased income, self-respect and dignity, but also created indirect impact in various forms, such as their increased ability to fulfil the needs of their families and providing education to their children. In this manner, the direct and indirect impacts enabled them to bring changes in their lives and in the lives of their families, thereby improving their living conditions. At the same time, consumers could also get fresh vegetables at the right prices. Thus, while on the one end, one set of beneficiaries, that is, the poor, marginalised vegetable growers, vendors and other employees saw 'value' in getting several benefits, which had direct and indirect benefits for them, at the other end, a second set of beneficiaries, that is, consumers, saw value in getting the benefit of buying fresh and high-quality vegetables at reasonable prices.

---

[1]'*Mandi*' refers to a local market.

[2]'*Kattha*' is one of the units for the measurement of land in India. In the Indian state of Bihar, one Kattha may vary from 750 to 2000 sq. ft. near the capital, Patna, 1 Kattha is equivalent to 1361 sq. ft. (126.44 m^2).

[3]One '*Bigaha*' consists of 20 *Kattha,* near the capital, Patna.

The beneficiaries of Sammaan Foundation saw 'value' in the positive changes in their lives brought about by Sammaan Foundation, in the form of getting several direct (financial inclusion, improved income, self-respect and respect from others) and indirect benefits (could afford education of children, fulfil needs of the family members, etc.). The improved design of the traditional rickshaw provided more convenience to the passengers, who could also avail of other facilities on the journey, such as newspapers, water bottles and accident insurance. Hence, passengers preferred this improved product and rickshaw pullers got the opportunity to earn more. One of the beneficiaries Chandu Raj (SF-R1) mentioned:

> My earlier income was barely sufficient to survive. With improved income, I am able to give them better education and we lead a better life, thanks to Sammaan.

The beneficiaries of 'Akanksha' saw 'value' in getting opportunities to pursue education, learn languages and values and develop overall personalities, which they were earlier denied. They also got opportunities to display their talents in various other fields such as art and sports. In this learning process, they improved their confidence and their capabilities. Due to their improved capabilities, some of them later on moved on to get jobs as teachers in 'Akanksha' itself and many got jobs in reputed companies. This brought strong positive changes in their lives. It was also found that some of the alumni of 'Akanksha' started working towards bringing positive social changes in their society. It showed that capability improvement helped beneficiaries to access other needs too. One of the alumni of Akanksha's 'after-school centre' Aslam Shaikh (A-R9), who later became a sports teacher at 'Akanksha', mentioned:

> I stay in a slum in Colaba. I joined Akanksha centre, when I was 3-4 yrs old, a student of standard one. From there I started speaking English. Till graduation, I was attached with Akanksha. I was 18 yrs old at that time. After completing graduation I started working in a school. When Akanksha started school, I joined here as a sports teacher. What I have learnt from Akanksha, I am trying to do same thing. I have learnt how to tackle your life, like if you are from slum area, you also have some dream that you want to achieve and you have to success. With the education, you can do many things. Now I am teaching sports and education. I am giving them direction, like how you can make future in the sports.

Similarly, the beneficiaries of the SAATH livelihood programmes found 'value' in their increased capability to get employment, heightened self-confidence, self-identity, self-respect and increased income positively influencing their ability to fulfil their own needs, provide for the needs of their families and improve their standard of living. One of the beneficiaries Radha Jagdishbhai Chawda (SA-R2) of *Ummeed* livelihood programme talked about its impact in her life in the following words:

> I had not worked before, but I was inspired once I came here. I learnt how to talk to people and also lecture on life saving, so we all wanted to start working. Apart from Nursing there are course for call centres and in IT. When I came here I didn't know English but now I can understand it well enough, I can read also. In personality development they taught us how to talk with and deal with people. Biggest change is the increased self-confidence. We found this confidence to talk to doctors and other people. Earlier I was another member but now I have an identity. Now they jokingly call me a nurse. In fact I am the first one in my family to become a nurse. Everybody is very happy with this change. There is also a new

found respect that I feel I get at home. I also feel that I can stand on my own two feet and not be dependent on others.

She further mentioned about 'social value':

A lot of students from our locality have got jobs because of them. All thirty students from my batch are successfully employed thanks to this training centre and placement support.

The data showed that beneficiaries perceived 'value' in getting various kinds of benefits created by social entrepreneurs for them, and in the various positive changes and impacts in their lives brought about because of these benefits. These positive changes or impacts in their lives were both direct and indirect. 'Direct changes/impacts' refer to getting direct benefits, opportunities and improved capability in various forms such as increased confidence, self-respect, income and knowledge, and 'indirect impacts/changes' refer to the changes or impacts they felt in their lives as a result of the direct changes, such as their improved ability to fulfil the needs of their family members, improved standard of living of their family. They got opportunities in various fields, and their capability increased in various dimensions, such as their ability to earn a livelihood, and fulfil the needs of family members. By creating opportunities for the poor and the marginalised, social entrepreneurs were transforming their lives, as also observed by Alvord et al. (2004) in their study. It is argued that social welfare is unlikely to improve without providing for those at the bottom of the pyramid, the ability to pursue new opportunities. At the same time, it is unlikely that business ventures would build capabilities at the bottom of the pyramid without fostering a socially enabling context for knowledge transfer (Ansari et al. 2012).

The data also showed though most of these beneficiaries belonged to the marginalised, disadvantaged and vulnerable sections of the society, but a large number of beneficiaries were from well-off sections of the society too. For example, the beneficiaries of 'NH' included patients from within and outside India and from all kinds of socio-economic backgrounds—from poor to affluent. They all had faith in Dr. Devi Shetty and the high quality and timely services of his hospitals. Dr. Ashwin Naik's 'Vaatsalya' too attracted a lot of patients from rural and urban areas that were insured by private insurance companies in India. Although most of the patients believed that the cost of healthcare services at 'Vaatsalya' was not affordable for the poor, they would go to the 'Vaatsalya Hospitals' because of it being accessible and of a high quality. Similarly, in the case of Dr. Brij Kothari, I found that most of the beneficiaries of 'BookBox' belonged to educated and affluent sections of the society. Many were highly educated parents from within and outside India, who had been using BookBox's products for their children. Hence, it is important to clarify that beneficiaries need not always necessarily belong to marginalised, disadvantaged, vulnerable and low socio-economic groups in society. Social entrepreneurs create value for the disadvantaged and affluent segments of the society, thereby impacting the society as a whole. This finding is supported by Phills et al. (2008).

The emerging concept of 'social value' in social entrepreneurship is presented in Fig. 5.1.
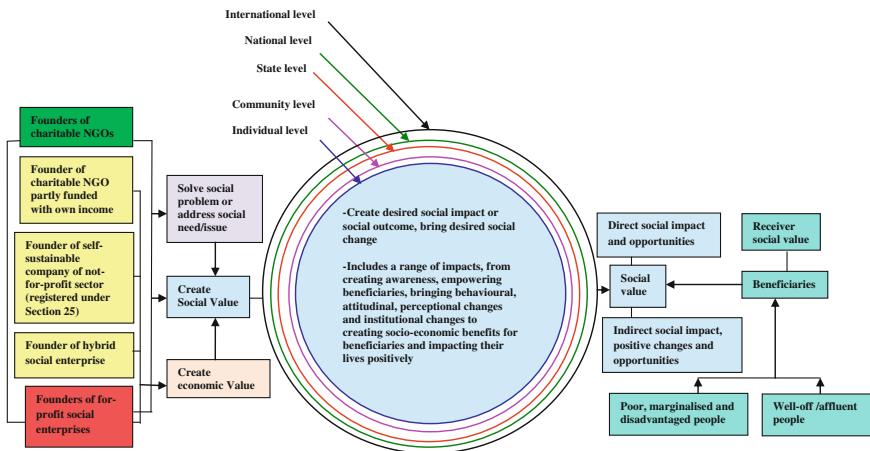
Fig. 5.1 Emerging concept of 'social value' in social entrepreneurship

Figure 5.1 shows that the efforts of social entrepreneurs towards solving social problems or addressing social needs/issues lead to social value creation. Except founders of purely charitable social enterprises, all the others were involved in economic value creation. However, without being influenced by the purpose of engaging in economic value creation (whether for the sustainability of the services and organisation, personal gains or for both), all the social entrepreneurs pursued their mission of solving social problems and created social value for the beneficiaries. It clearly indicates that social entrepreneurs see social value in creating desired social impact or social outcome, bringing desired social change, which includes a range of impacts, from creating awareness, empowering beneficiaries, bringing behavioural, attitudinal, perceptional changes and institutional changes, to creating socio-economic benefits for beneficiaries and impacting their lives positively. The figure also shows that social entrepreneurs intend to create social value and bring social change at various levels, starting from individual, community, state, national to the international level. Depending on the mission, resources and capacity, different types of social enterprises focus at creating social value and bringing social change at different levels. It also shows that social entrepreneurs create value for both poor and affluent sections of the society.

References

Alvord SH, Brown LD, Letts CW (2004) Social entrepreneurship and societal transformation: an exploratory study. J Appl Behav Sci 40(3):260–282

Ansari S, Munir K, Gregg T (2012) Impact at the 'Bottom of the Pyramid': the role of social capital in capability development and community empowerment. J Manag Stud 49(4):813–842

Blundel R, Lyon F, Spence LJ (2011) Analysing the growth process in social enterprises: an historical perspective. Paper presented at the 3rd EMES International Research Conference on Social Enterprise, Roskilde (Denmark), 4–7 July. http://oro.open.ac.uk/29521/1/. Accessed 07 Feb 2013

Dees JG (2001) Social entrepreneurship: mobilising resources for success. http://www.tgci.com/magazine/Social%20Entrepreneurship.pdf. Accessed 10 Oct 2011

Dees JG (2007) Taking social entrepreneurship seriously. Society 44(3):24–31

Dorado S (2006) Social entrepreneurial ventures: different values so different process of creation, no? J Develop Entrep 11(4):319–343

Fligstein N (1997) Social skills and institutional theory. Am Behav Sci 40(4):397–405

Lepak DP, Smith KG, Taylor MS (2007) Value creation and value capture: a multilevel perspective. Acad Manag Rev 32(1):180–194

Mann RS (1987) Social change and social research. Concept Publishing Company, New Delhi

Phills JA, Deiglmeier K, Miller DT (2008) Rediscovering social innovation. Stanf Social Innov Rev 6(4):34–43

Seelos C, Mair J (2005) Sustainable development: how social entrepreneurs make it happen. Working Paper No. 611, IESE Business School, University of Navarra, Spain. http://www.iese.edu/research/pdfs/DI-0611-E.pdf. Accessed 19 July 2011

Thompson J (2002) The world of the social entrepreneur. Int J Public Sector Manag 15(5): 412–431

Chapter 6
Opportunity Recognition/Identification

Abstract This chapter looks into opportunity identification/recognition in the process of social value creation. Opportunity recognition emerged as a process rather than a one-time action, which in turn involved a series of actions. Considering the fact that the contextual factors play an important role in the process of social value creation, this chapter explores the values and beliefs of the social entrepreneurs, and their different contextual backgrounds. Then, it explores the influence of these contextual differences on identifying/recognising opportunities by social entrepreneurs. The cases showed that social entrepreneurs identified opportunities in different ways, yet many similar patterns emerged out of the cross-case analysis. Based on the findings, two propositions have been developed, and finally, opportunity recognition in social entrepreneurship has been presented in a figure. The study showed that social entrepreneurs pursued opportunities to achieve their social mission, that is, to solve social problems and create social value. The cases showed that opportunity recognition/identification and exploitation involved a series of actions. Hence, it emerged as a process rather than a one-time action. Considering the fact that the contextual factors play a very important role in the process of social value creation, this chapter focuses on the values and beliefs of social entrepreneurs, the different contextual backgrounds (their family and social backgrounds, relationships, educational and professional backgrounds, work experiences and past experiences). Then, it explores the influence of these contextual differences on identifying/recognising opportunities by social entrepreneurs. The cases showed that social entrepreneurs identified opportunities in different ways, yet many similar patterns emerged out of cross-case analysis.

6.1 Opportunity Recognition and Planning Process

All the cases showed a similar pattern of opportunity identification, not being a preplanned or well-thought-out decision. Social entrepreneurs never thought they would become social entrepreneurs. They did not start as social entrepreneurs, it just happened. It evolved with the needs of the people. Hence, when they realised

the need, they started working on it. Their work was revolving around the needs of the people, which they identified with their experiences over a period of time. It was not preplanned at all. In fact, when they started their work, some of them (Dr. Armida Fernandez and Rajendra Joshi) had not even heard of the concept of 'social entrepreneurship' or 'social enterprise'. There are others (Irfan Alam and Dr. Ashwin Naik) who identified the social problems and looked at those social needs or problems simply as 'business opportunities'. Many of the social entrepreneurs such as Dr. Armida Fernandez, Rajendra Joshi, Irfan Alam and Dr. Ashwin Naik realised later that what they were doing is 'social entrepreneurship'. When Dr. Naik got capital from *Aavishkar*, a social purpose venture fund, *Aavishkar* defined his business as 'Social Enterprise'. Similarly, Irfan said:

> Eventually I realised that whole world call it social, but I would say I still believe that, it's a business, which is socially relevant.

Opportunity identification emerged as an action that was not preplanned or a well-thought-out decision in social entrepreneurship. Social entrepreneurs basically started their work around the social problems or needs which they identified over a period of time and experiences.

A similar pattern was observed by Corner and Ho (2010) in their study of how opportunities developed in social entrepreneurship. They mentioned that opportunity development involved growing and advancing an idea for social value creation, which took shape over time. They found that opportunities were organic phenomena that grew and were nurtured by them, owing to their awareness of a particular social issue. In the entrepreneurship literature, it is well accepted that entrepreneurial opportunities do not simply 'jump out' in a final or ready-made form, but emerge in an iterative process of shaping and development (Dimov 2007). The study reflected that similar to entrepreneurship, opportunity recognition/identification is the initiation point of the entrepreneurial process in social entrepreneurship as mentioned by other scholars (Austin et al. 2006). At the same time, it showed that opportunities in social entrepreneurship were embedded in the social context of the social entrepreneur, which is in contrast to commercial entrepreneurship. Several other scholars too are of the view that opportunities in social entrepreneurship are different from their commercial counterparts (Austin et al. 2006; Dorado 2006; Hockerts 2006; Mair and Marti 2006; Lehner and Kansikas 2012).

6.2   Opportunity Recognition: Influence of Context and Personality Traits

As mentioned earlier, social entrepreneurs identify opportunities and develop ideas with their experiences over a period of time. Hence, opportunity identification and the development of an idea is not a one-time effect. It evolves gradually with the experiences of social entrepreneurs in a variety of contexts. These contextual factors include family and social background, educational qualifications, working

experiences, personal experiences or any incident. 'Context refers to those variables which shape the characteristics of a setting, as well as the motivations and behaviours of different actors in that setting' (Zahra 2008, p. 243).

Family background was found to play an important role in identifying opportunities and developing ideas for many social entrepreneurs. It included socio-economic background of the family, learning and upbringing, social and moral values inculcated by the parents, freedom of decision-making provided by the family, family support, confidence and trust in social entrepreneurs. For example, Dr. Devi Shetty accepted that he learnt his business skills from his father, who was involved in running a small restaurant business. The financial condition of Irfan Alam's family and the importance it gave to education, social values[1] and moral values provided a fertile ground for him to make social entrepreneurship a career choice. He said:

> Financial circumstances forced me to opt [for] entrepreneurship as a career, because since my childhood, in all my fantasies, being born and brought up in reasonably lower middle class family, you know… fantasies were that like I will fly, I should have a car, I should have my own house, and when I researched, when I reached the age of self-consciousness, then I realised, Okay only people, who are doing something on their own, they can have it.

He further said:

> My parents always throughout the upbringing, they kept telling that if you give somebody, a motor bike, who already has one motor bike, it may not create much of difference in his life, but if you give a bicycle to somebody, who doesn't have a bicycle, it may revolutionise his whole life. They mean their value. And the second thing was that they always said that… you know…despite everything, you are still fortunate. You go and see outside that there are people who are forced to sleep without having two times meal. If you can do something to change that scenario, God will take care of you. That was something that I believe it. And I am blessed…And that's the reason, so far, I mean we are in 5th year of operation I never compromised. Whenever I had to choose between my so called investors, I mean between money and benefits, I said, No I won't compromise. These are the learning, the upbringing, values and circumstances actually groomed me to opt for entrepreneurship with social mission.

Shaheen Mistri could do what she wanted just because she had always been encouraged to take her own decisions in her family. In the case of Kaushlendra Kumar, his family and social background created a huge impact on him. Born in a farmer's family in a small village of Bihar, Kaushlendra had witnessed and experienced the problems and struggles of farmers. Moved by their plight, he made the uplifting of Bihari farmers' socio-economic condition his lifelong dream. Therefore, after passing out of IIM, Ahmedabad, he ignored all the lucrative job opportunities and chose to pursue his lifelong dream. A majority of the social entrepreneurs such as Irfan Alam, Dr. Brij Kothari, Dr. Armida Fernandez, Rajendra Joshi, Kaushlendra Kumar and Dr. Devi Shetty got full support from their families. Their confidence and trust encouraged social entrepreneurs' own confidence in identifying and exploiting

---

[1]Here, 'social value' is used in the context of the founders' inculcated values towards society, not in the context of value creation for the beneficiaries.

the opportunity of their choices. It showed that family and social background of the social entrepreneurs impacted them greatly, which influenced their opportunity identification and idea development.

In the case of Dr. Devi Shetty, the existing norm that poor people cannot access and afford quality healthcare services influenced his social entrepreneurial action. Through his innovative hybrid model for social enterprise, he proved that it was possible to make health care accessible and affordable to the common man. Meek et al. (2010) studied the impact of social norms on entrepreneurial action in the context of environmental entrepreneurship and found that social norms by themselves, and in conjunction with state-level incentives, had the ability to influence environmental entrepreneurship, and argued that both centralised (government designed) and decentralised (socially determined) institutions impacted entrepreneurial activity.

Apart from the family and social background, other contextual factors that influenced the social entrepreneurs' opportunity identification and idea development were education, working experience (professional, entrepreneurial or volunteering), personal life experiences and incidents, rebellious nature and specific incidents, such as winning a business competition.

The cases show a common pattern that social entrepreneurs' knowledge acquired through formal education; especially, specialised professional and technical knowledge and skills played an important role in their opportunity identification and idea development. The findings show that all the social entrepreneurs, who had sound technical knowledge or specialised professional knowledge, identified opportunities in their areas of specialisation. For example, Dr. Armida Fernandez (a neonatologist), Dr. Devi Shetty (a heart surgeon) and Dr. Ashwin Naik (a surgeon) were doctors and identified opportunity in the health sector using their specialised skills. Kaushlendra Kumar had a background in agriculture engineering and agribusiness management and identified opportunity in uplifting the socio-economic condition of farmers. Irfan Alam (who believed that studying at big prestigious institutes was an endorsement as it provided an opportunity to connect with the right people) accepted that he acquired his marketing skills from his mentor at IIM, Ahmedabad. He used his knowledge and skills to develop his model around advertisement and marketing. This finding is consistent with the existing entrepreneurship literature (Venkatarman 1997; Shane 2000). They mentioned that people recognised these opportunities related to information that they already possess. Shane (2000) found in a study that all people are not equally likely to recognise the same entrepreneurial opportunities which result from technological change. Knowledge acquired through formal education not only influenced opportunity identification, but it also helped in the process of social value creation. Formal education might be the reason why working in the education sector Shaheen Mistri and Geeta Ramanujam continued their education (both did Masters in education) even after identifying their opportunities. In the single case of Rajendra Joshi, his area of work was entirely unrelated to his educational or professional qualification. Hence, it shows that formal education does not necessarily play an important role in identification of opportunity, but definitely specialised professional knowledge and skills play a significant role in opportunity identification.

Across cases, an emerging pattern indicated that not only specialised knowledge and skills acquired through formal education, but prior working experience too played an important role in social entrepreneurs identifying opportunities. The study shows that all the cases that had acquired knowledge through work experience recognised opportunities in areas where they could put it to use. I found that work experience included not only professional experience, but also volunteering and entrepreneurial experiences of individuals. Some social entrepreneurs (Dr. Armida Fernandez, Dr. Ashwin Naik, Dr. Devi Shetty, Dr. Brij Kothari, Geeta Ramanujam and Rajendra Joshi) acquired knowledge through professional experiences, some (Shaheen Mistri) through volunteering experiences and some (Irfan Alam) through entrepreneurial experiences.

The case of Kaushlendra Kumar was the only one where he did not have work experience before starting his social enterprise. He too had started his charitable social enterprise before starting his for-profit social enterprise 'KNIDS GREEN Pvt Ltd'. It shows that though knowledge acquired by social entrepreneurs through work experience was not always necessary to identify opportunities for social value creation, it certainly served to influence the opportunity identification for those who did have such experience. In fact, many of the social entrepreneurs such as Dr. Armida Fernandez, Dr. Devi Shetty, Dr. Ashwin Naik and Geeta Ramanujam recognised social problems or social needs during their professional jobs, while others such as Shaheen Mistri did so while volunteering with kids. The work experience made them aware about the social problems that shaped their opportunity development. Social entrepreneurs identified these problems as opportunities and came up with their ideas to solve these recognised problems. Hence, work experiences not only enhanced their knowledge, but also provided them opportunities to become aware of the social problems, following which social entrepreneurs developed their ideas to solve these problems.

Entrepreneurship literature too established that prior start-up or entrepreneurial experiences of social entrepreneurs facilitated their opportunity identification and exploitation (Davidsson and Honig 2003; Madsen et al. 2003; Farmer et al. 2011; Westhead et al. 2009). They learnt from their past experiences (Cope 2005; Corbett 2005). Based on the findings of the study, Madsen et al. (2003, p. 426) said, '…it is not so much inherent personality traits that influence the foundation and growth of new ventures as previous employment and entrepreneurial experiences. The longer the career path prior to founding the venture, the more experience an entrepreneur has accumulated'. Davidsson and Honig (2003) found that previous entrepreneurial experience was positively related to the probability of entry into nascent entrepreneurship and making progress in exploiting the opportunity. Habitual entrepreneurs with prior business ownership experience identified more business opportunities than novice entrepreneurs (Westhead et al. 2009). However, different from entrepreneurship literature, this study found that volunteering experience as a form of work experience played an equally important role in identifying opportunity for the social entrepreneur. Therefore, I suggest that there is a need to extend the scope of work experience of individuals in the context of social entrepreneurship. It should be extended further to include individuals' volunteering experiences as well.

Dr. Ashwin Naik had witnessed his parents' trials and tribulations accessing healthcare services, for which they had to travel long distances to big cities. On the other hand, he had also observed that his classmates in medical school did not go back to their native places claiming that there were no opportunities and infrastructure facilities for qualified doctors in those rural and semi-urban areas. Thus, he found his opportunity to bridge this gap. Recollecting his personal experiences, he said:

> Like I said that the real issue was our own personal experience, where, we were not having an access to a hospital. My own parents, they have to travel. They stay in Dharwad. So they have to travel to Hubli or many times they have to come to Bangalore. That is one. Second is, the doctors. They are all coming to bigger towns. After they graduate, they are all coming to bigger towns, because they don't have opportunities in smaller place. Our classmates, who were not able to go back to small towns. Even though, we come from medical background, there was no desire to set up a hospital and run it. When we saw this problem, me and my roommate, we looked at it. Ok. This is an opportunity. So, this is the genesis of the starting.

Irfan Alam too had a personal reason for starting his social enterprise. In several instances, Irfan had personally experienced that the word 'Bihari'[2] was used in a derogatory manner. He wanted to prove that Biharis too were intelligent and capable. Therefore, he wanted to do something big and different. An incident in his life provided just the right opportunity to do so. On a very hot day in summer, while returning home from his college in Begusarai, he hired a cycle rickshaw. Thirsty, Irfan requested the rickshaw puller to give him some water. He said, 'I don't have money'. Irfan wondered why he needed money and soon realised 'Oh my God! He is talking about selling water'. Recalling that incident he said:

> The rickshaw incident that I had mentioned was the game changer. That was the great incident. That was the germ of the whole idea. That was the main incident that actually shown me the market and the power of this whole unorganised sector.

He started working on the idea of selling water on cycle rickshaws. This rickshaw incident played the most important role in identifying the opportunity for Irfan Alam. Later, he developed his model around marketing and advertisement on cycle rickshaws.

Coming from a highly conservative Brahmin Family which expected her to live life on their conditions, Geeta Ramanujam always felt that women were not equally treated. She was rebellious since her childhood and, therefore, she always wanted to prove that women were equally capable. Her rebellious nature influenced her in identifying opportunities. Acknowledging her rebellious nature since childhood, she said:

> I think there was necessity. I wanted to prove something to myself, to my husband and even to my parents, because they were very scared. I think, they underestimated me about my

---

[2]Bihar is one of the poorest and backward states of India. A large number of people of Bihar (Biharis) migrate to other states in search of livelihood. A large majority of these Bihari migrants are illiterate and employed in other states for performing unskilled tasks labourers, such as rickshaw pulling. Indians, in general, do not treat the natives of Bihar with respect and often abuse them.

capabilities. So, I wanted to tell everyone… I was little bit rebel I would say since my childhood.

In fact, all the social entrepreneurs always loved challenging roles. Due to this trait, social entrepreneurs did not compromise easily with the existing situations or systems which were not producing desired results. They always tried to innovate and create new solutions to existing problems. Yiu et al. (2014) also found in their study that private entrepreneurs were motivated to participate in social entrepreneurship programs if they had distressing past experiences, including limited educational opportunities, unemployment experience, rural poverty experience and start-up location hardship. For Dr. Brij Kothari, the winning of a business plan competition at Stanford provided him the opportunity to develop his idea.

These findings show that experiences of individuals in different contexts influenced opportunity identification to a large extent. It is also important to mention that different sets of multiple contextual factors influenced opportunity development of different social entrepreneurs. It shows that life experiences of social entrepreneurs since their childhood also had different impacts on them. Through these experiences in different contexts, they learnt various things and improved their knowledge and skills. These different experiences provided them information and made them aware about the particular issues, areas and social problems. Hence, in addition to knowledge and skills acquired through education and past work experiences, social entrepreneurs also gained knowledge and skills through their past experiences in different contexts. A similar observation is made by Patzelt and Shepherd (2010), who suggest that entrepreneurs are more likely to discover sustainable development opportunities; the greater their knowledge of natural and communal environments become, the more they perceive that the natural and communal environment in which they live is threatened, and the greater their altruism towards others. Corner and Ho (2010) also supported this finding in their study. They mentioned that past experiences of social entrepreneurs created awareness and information about particular areas that shaped opportunity development. The knowledge, skills and abilities of persons, which come from their education, training and experience, are referred to as 'human capital' (Becker 1993). Human capital consists of resources possessed by the individual, who can use and dispose of them with his/her own freedom without much concern for compensation (Lin 2001). Human capital is one of the important factors that influence opportunity recognition (Dimov and Shepard 2005). Men and women both utilise human capital to identify opportunities (DeTienne and Chandler 2007).

In general, in entrepreneurship literature (Roberts 1991; Shane 2000; Madsen et al. 2003) 'knowledge' has been used in a conservative sense. It refers to specialised information and skills of entrepreneurs acquired through their formal education and prior work experiences. Prior information, whether developed from work experience, education or other means, influenced the entrepreneur's ability to comprehend, extrapolate, interpret and apply new information (Roberts 1991). In social entrepreneurship too, Dorado (2006) recognised that there is a connection between experience and opportunities that has not been clarified, and there is a lack

of systematic exploration of it. The findings of this study reflect that social entrepreneurs acquired knowledge not solely through education and work experiences (professional, entrepreneurial and volunteering experiences), but also from their life experiences since childhood in a variety of contexts. Corner and Ho (2010) also found similar findings. They learnt different things from their family members and others within their social network and enhanced the knowledge that influenced them in recognising opportunities. It is true that entrepreneurs learn from their experiences (Sarasvathy 2001), but individuals learn not only from their own experiences but also from the experiences of others around them and by observing them (Bandura 1986).

Sengupta (2009) found that 'social capital' is closely related to social networks, reputation, trust, commitment and goodwill in the context of entrepreneurship and access to social capital by entrepreneurs varied depending on various factors, such as work experience, friendship, family background and reputation based on knowledge and skill. Social capital may expand the scope of social learning of entrepreneurs. There is evidence that social capital facilitates the process of intentional social change (Smith 2006). Thus, both human and social capital influence opportunity identification. This result is supported by the study of Ramos-Rodríguez et al. (2010, p. 577), who said, 'Although the intellectual capital factors do have a positive impact, individuals' access to external knowledge through the social networks in which they participate proves to be fundamental for developing the capacity to recognise new business opportunities'. On the basis of these findings, I suggest that in the context of social entrepreneurship the notion of 'knowledge' should not be seen within the restrictive domain of formal education and work experience only. It should be seen as embedded in the social entrepreneurs' different contextual life experiences (their background and past experiences), and not in isolation. The study affirms the finding of Kwon and Arenius (2010) in the context of entrepreneurship. It not only emphasises individual-level effects of the social entrepreneur, but also recognises that a social entrepreneur is embedded in the social context, especially social capital, which is an additional and important contributor to social entrepreneurship. Thus, the study suggests that social entrepreneurial activities are jointly determined by the individual and the contextual factors. Some scholars (Mair and Marti 2006; Jones et al. 2008) also emphasised the deep association between social entrepreneurs and their social contexts. Social entrepreneurs are deeply enmeshed within their social contexts (Jones et al. 2008), and therefore, they try to capture the complexity and richness of the relationships between life, ideology, family and the social context that characterise the motivations and beliefs of the social entrepreneur in their study. Mair and Marti (2006) also stress the importance of continuous interaction between the social entrepreneurs and the context in which they are embedded for understanding and explaining why and how social change is possible. 'The concept of embeddedness implies that it is impossible to detach the agent (social entrepreneur) from the structure (community, society, etc.)' (Mair and Marti 2006, p. 40). They mention that social entrepreneurship cannot be understood in a purely economic sense like entrepreneurship in business sector, rather it needs to be examined in the light of the

social context and the local environment because social entrepreneurs stand in a dynamic relation to the social contexts that produce them, and they seek to influence these social contexts through new behaviours (Nicholls and Cho 2006).

Recognising the importance of social context in social entrepreneurship, Hill et al. (2010) emphasised the understanding of the social context of entrepreneurs. Therefore, Giddens' (1979, 1984) 'structuration theory' emerged as an important tool to study social entrepreneurship, because this process-oriented theory focuses on structure both as a product and as a constraint upon human action. In the context of business entrepreneurship too, Sarason et al. (2006) reflected similar views when they stated that the entrepreneur and the social system coevolve. They have seen entrepreneurship as a nexus of opportunity and agency, where opportunities are not singular phenomenon, but idiosyncratic to the individual. Recently, Morris et al. (2012) also emphasised the experiential perspective to understand new venture creation in entrepreneurship. They presented a link between preventure experience, key events, experiential processing, learning, affective outcomes and decision-making and argued that the entrepreneur and venture emerged as a function of the on-going experience, with the venture creating the entrepreneur as the entrepreneur creates the venture.

Research in entrepreneurship has already shown the importance of prior knowledge, social network and identity for entrepreneurs (Dew and Sarasvathy 2007). In entrepreneurship research, it has been recognised that economic behaviour can be better understood within its historical, temporal, institutional, spatial and social contexts, because context simultaneously provides individuals with entrepreneurial opportunities and sets boundaries for their actions; in other words, individuals may experience it as asset and liability (Welter 2011). Emphasising the importance of context in opportunity identification in entrepreneurship, Zahra (2008) showed how contexts influenced entrepreneurial opportunities. She found that certain contexts are more conducive for discovery, and some for creation of opportunities in entrepreneurship. Similarly, in social entrepreneurship, context played an important role in identifying opportunities. Urbano et al. (2010) also found in their study that both informal (new social values, entrepreneurial and responsible social attitude and social network) and formal institutions (support mechanisms) are important to the generation of social entrepreneurship in Catalonia, but informal institutions have greater importance than formal institutions due to the fact that they affect not only the implementation of social entrepreneurship, but also their emergence.

6.3   Social Problems as 'Opportunities'

Irrespective of whether social entrepreneurs looked at social problems or social needs as opportunities for business or for creating social value, they all fit into a common pattern of individuals having identified their opportunities in existing social problems. They came up with their innovative ideas to solve these identified

social problems and pursued them as opportunities to create social value and bring about social change. This finding is consistent with the existing social entrepreneurship literature, which mentions that social entrepreneurs identify/recognise opportunities to solve social problems or create social value (Dees 1998, 2007; Thompson 2002; Seelos and Mair 2005; Mair and Marti 2006; Peredo and McLean 2006; Weerawardena and Mort 2006; Neck et al. 2008; Elkington and Hartigan 2008). The cases also show that rather than creating opportunities, social entrepreneurs discovered opportunities, because they recognised existing social problems as 'opportunities'. Irfan Alam clearly mentioned:

> Opportunity always exists and you just need to come with your findings and innovation, whatever you call it. Whatever you name it. But it is not that Columbus invented India, he just discovered. Right. It doesn't mean that India was not there. It's like that. India was always there. So, I realised that it's such a massive sector and nobody is working here. It was more than enough to tempt you. I mean 8-9 million people- Unorganised, no organised rickshaw manufacturing market, none of them used rickshaw as a marketing engine. It was just required, was actually just packaging.

This supports the 'discovery theory' of opportunity recognition mentioned by Alvarez and Barney (2007), which emphasises that entrepreneurial opportunities exist, independent of the perceptions of entrepreneurs, just waiting to be discovered. However, other scholars such as Corner and Ho (2010), Lehner and Kansikas (2012) present a different view. Corner and Ho's (2010) study reflects a mix or balance of effectuation and economic/rational approaches to opportunity development in social entrepreneurship. They have found that within opportunity development, development of innovative ideas for value creation and implementation of these ideas happens simultaneously through experimentation and learning. Opportunities do not neatly fit into either the effectuation or economic view. Opportunities are neither entirely created nor entirely discovered. Similarly, Lehner and Kansikas (2012) mention that opportunity recognition in social entrepreneurship cannot easily be viewed either from the discovery or creative perspective, because the process includes strategies and processes from both.

The findings of the present study differ slightly from the ones discussed above. I found that social entrepreneurs recognised or discovered those social problems which already existed in the society. It was not that they recognised completely new social problems, which never existed. At the same time, I do not support the trait approach of entrepreneurship which emphasises that entrepreneurs have special personality traits and characteristics, and therefore, some people are able to see opportunities, while others are not. For example, Kirzner (1997) stresses the individual entrepreneur's alertness in discovering opportunity. In contrast to Dees (1998), I found that entrepreneurs enhance their knowledge through experiences and learning in various contexts in their lives, due to which they could identify the opportunities that others could not. Depending on the abilities, knowledge, values, experiences, learning, judgment, decision-making and actions, they look at social problems as opportunities and come up with innovative ideas to solve those problems. At the same time, to some extent I also accept the contribution of personality traits and characteristics in opportunity identification, because the study

showed that the rebellious and challenging nature of social entrepreneurs contributed in their opportunity identification. Hence, the study rejects the view of Dees (1998) that social entrepreneurs are a special breed of leaders and supports the view of Gartner (1988) which states that 'Who is an entrepreneur?' is the wrong question. This study shows that in reality, social entrepreneurs are not the rarest breed of leaders as mentioned by Dees (1998). The finding combines the realist and constructionist approaches in identifying and developing opportunities by social entrepreneurs. In this context, an evolutionary realist approach mentioned by Alvarez et al. (2010) may be a fruitful tool to understand opportunity formation in social entrepreneurship.

6.4   Idea Development: Moment of Inspiration, Spark or Trigger

In line with the finding of Corner and Ho (2010), this study too shows that social entrepreneurs gradually realised the social problem or social need with their experiences over a period of time and became aware of the social problem. However, they did not develop the opportunity and idea immediately. When they felt a moment of inspiration, and when a spark or trigger provoked them, they realised that social value could be created. They then developed this opportunity further by devising innovative solutions to the identified social problems. This spark or trigger moment could be different for different individuals. Only after getting this moment of spark or trigger, ideas were developed and the implementation process initiated. The next phase was that of implementation of the idea in order to create social value. Describing this moment of spark, Dr. Armida Fernadez said:

> This was all in Sion hospital. When I was in Sion, We started saving a lot of babies' lives and then the mortality decreased, then I realised what happens once we saved the baby's life, one kilo baby, 1.5 kilo baby went back to the slums. There in the slums they again got lots of infections and died. They got some handicap because they were small and all, some blindness some cerebral palsy … So, it struck me, what are we doing really? We are working so hard to save babies lives, spending so much money. They are spending their money, they are spending their hard… It's difficult to have a sick child in the hospital. They go through so much anguish. Mental anguish, you know. So, I thought, you know, what are we doing in hospital? If we want to save babies lives, we must prevent them from coming to hospital. So, I said, if they would not pre matured, they would not sick, they would not have come to the hospital. So, how to do that? So, I said, if I have to do that to work in the community and not in the hospital alone. So, that time, even when I was in the hospital, I used to take whole department and go to the slums once a week and that gave me the idea that I want to work in the slum and not in the hospital alone when I retired. Then, I started my NGO, SNEHA. That's how SNEHA was started.

Although she always wanted to work for the poor, she was able to identify the opportunity only when she realised this moment of insight or inspiration. This spark was an important initial condition, which influenced the development of ideas and opportunities to solve the identified social problem and create social values.

The above discussion illustrates that all the social entrepreneurs identified social problems as their 'opportunities', which led to the process of social value creation. They developed ideas to solve identified social problems, and in their way to achieving their social mission, they created value for the beneficiaries. On the basis of this finding, I propose:

Proposition 1 *Social entrepreneurs recognise social problems as 'opportunities', which lead to social value creation by solving social problems.*

6.5 Deep/Strong Belief to Work for Society, or to Earn Money Since Early Life, Coupled with Strong Social Values/Orientation

The study found that all the social entrepreneurs who had charitable organisations (Dr. Armida Fernandez, Shaheen Mistri, Rajendra Joshiand Geeta Ramanujam) had one or the other kind of deep belief or commitment to working for the society from the beginning. This might have developed due to their upbringing in different environments. For example, Dr. Armida Fernandez (SNEHA) always strongly wanted to work for babies and with the poor, which is why she chose to study medicine. She said:

> I think, what I did all my life is, I did, what I felt very strongly about. For example, all my life I thought that I will work for babies and I liked to help people basically and I thought, the best profession for that would be medicine. Although, I was better in Maths and physics, but I chose Medicine, because I wanted to work for people and people, so I became a doctor, because of that. And the second thing is, I always wanted to work with the poor.

Hence, this deep belief was already engrained, which needed a trigger or spark to be developed as a full-fledged idea. Rajendra Joshi (SAATH) mentioned that he always wanted to do something that could help to change the world and give him satisfaction. Similarly, Geeta Ramanujam (Kathalaya) belonged to a conservative Brahmin family which had a conventional way of looking at life. She always wanted to prove that a woman is also capable. All these social entrepreneurs already had this kind of social realisation or inclination, though they did not have any intention or prior thought of being social entrepreneurs or starting their own social enterprise in future. Hence, they all had identified opportunities and developed ideas with the sole purpose of solving the identified social problems, not for any other purpose.

In contrast to the founders of charitable social enterprises, coming from a large lower middle class family, Irfan Alam had witnessed the financial crisis in his family and his parents' struggles through it. He had also observed that in his home state of Bihar, the businesspeople were generally rich. As a result, he always wanted to be an entrepreneur and start his own enterprise to make money. At the same time, he did not want to engage in traditional businesses common in Bihar such as

grocery shops and cloth stores. He never considered these as businesses. He wanted to do something big, something different and more challenging. He wanted to be a trendsetter, not a follower. Therefore, he started 'Sammaan Foundation' simply as a business, which was socially relevant, not as a social enterprise. He clearly mentioned:

> What motivated me to do this, it was never social, I must tell you. You must write, if you can, it was not social, but hard core financial interest which prompted me to do this pilot.

At the same time, he accepted that his parents and their upbringing had induced deep social and moral values in him. He also identified his opportunity in social problems and developed the idea to solve a social problem, but his idea had a lot of scope to generate profits in the process of social value creation. Thus, the study showed that the pre-existence of a strong belief (either to work for society or to make money) since early life or beginning influenced opportunity development differently. They identified opportunities for different purposes. Those who had a deep belief to work for the society identified opportunities solely for social value creation, while others who had deep belief to earn money to become rich identified opportunities primarily for personal economic gains. For them, social value creation was the additional driver. In the rest of the cases (Dr. Devi Shetty, Dr. Ashwin Naik, Dr. Brij Kothari and Kaushlendra Kumar), there was no mention of the existence of any kind of their strong belief since early life. However, it has been observed that they also had strong social values and social orientation and they always felt responsible to the society, presumably developed with their life experiences.

6.6   Selecting Legal Form for the Organisation: Interests, Motivations, Intentions or Purposes of Social Entrepreneurs

The study showed that differences in interests, motivations, intentions or purposes of social entrepreneurs influenced opportunity identification, idea development and the selection of appropriate legal form of their social enterprise. It has been found that those social entrepreneurs (Dr. Armida Fernadez, Shaheen Mistri, Rajendra Joshi and Geeta Ramanujam) who wanted to focus solely only on social value creation registered their organisations as NGOs, especially as 'charitable organisations'. Those (Dr. Ashwin Naik and Irfan Alam) who had financial interests in mind and wanted to generate profits out of their ideas preferred their organisations to be selected as for-profit. They both started their social enterprises simply to make profits and for economic gain. Dr. Ashwin Naik mentioned that it was like any other business and the company's mission had social impact. In order to attract potential investors, Irfan Alam registered his organisation as a Section 25 company. He thought, if not for his own profit, at least for sustainability, he needed to generate

profit. Other social entrepreneurs (Dr. Devi Shetty, Kaushlendra Kumar and Dr. Brij Kothari) also wanted to create both social and economic value. They wanted to earn a decent living for themselves and simultaneously wanted to get the satisfaction of doing something good for the society. Without any doubt, they wanted to earn profits for themselves, but the sustainability of their services was also their main motive. Dr. Devi Shetty mentioned:

> First of all, we clarify to everyone that charity is not scalable. If we are going to do it free for ever, we are going to die. It has to be based on very good business fundamentals. We are one of the…perhaps the only organisation in the world, which has a balance sheet on a daily basis. We get a profit and loss account every day, which comes to my phone. All the senior administrators get a message about the previous day's revenue, expenses and a bit of margins. So, we respect money. All over the world people talk about the reducing the cost of health care, but nobody knows that how much money they are spending today. How are you going to reduce, if you don't know, how much is cost today? Our concept is we have to be very vigilant about our revenues, expenses, how much money you spend, what is a wasteful expense, these things, you have to be very careful.

He further said:

> If any enterprise doesn't create profit, it is going to die, irrespective of what your motive is. You may be organising with the greatest intent, but if you are running on donations, it's a matter of time. Donation will come to an end. If you want to build a sustainable organisation, run it like a company.

The study showed that all those social entrepreneurs who wanted to create economic value at the same time as social value, either for themselves and/or for sustainability, followed two routes. Some social entrepreneurs (Dr. Brij Kothari and Kaushlendra Kumar) initiated two social enterprises: the first one as a not-for-profit and the second as a for-profit to achieve the same social mission. On the other hand, Dr. Devi Shetty followed the hybrid model. He registered his organisation as for-profit, but he had a separate charitable wing for the poor patients, who could not afford the treatments. In addition, he also provided health care to the poor patients through various microhealth insurance programmes of the government. With the money saved through various sources, he managed to subsidise health care for poor patients. His focus was on reducing the cost of health care so that an increasing number of people could afford it. The cases showed that their interest in creating social value as well as economic value motivated them to follow hybrid models or to create two separate social enterprises, for-profit and not-for-profit, focused on the same social mission.

Hybrid organisations have both for-profit and mission-driven not-for-profit characteristics (Alter 2006; Hockerts 2006; Mort et al. 2003). Moving away from a pure for-profit or non-profit form to a more hybrid form of organisation is a case of 'institutional entrepreneurship' (Mair and Marti 2006). Maguire et al. (2004) defined 'institutional entrepreneurs' as 'actors who have interest in particular institutional arrangements and who leverage resources to create new institutions or to transform existing ones' (p. 657). Mair and Marti (2006) emphasised that social entrepreneurs must act as institutional entrepreneurs to bridge this division between for-profit and not-for-profit. However, Kistruck and Beamish (2010) found that

cognitive network and cultural embeddedness play a constraining role in non-profit forms of organisations that seek to engage in social intrapreneurship. They used the definition of social entrepreneurship 'a set of institutional practices combining the pursuit of financial objectives with the pursuit and promotion of substantive and terminal values' (p. 737) and used the term 'social entrepreneurship' for it to reflect the differences of non-profit, for-profit, etc. The hybrid form of organisation is not visible in entrepreneurship, but it has emerged as a unique form of organisation in the context of social entrepreneurship. This finding is supported by the finding of Corner and Ho (2010).

It is clear from the study that a range of factors influenced the social entrepreneurs' selection of the organisational form for the social enterprises. In this context, an important finding emerged that except one case (Dr. Armida Fernandez), all those social entrepreneurs (Dr. Ashwin Naik, Dr. Brij Kothari, Kaushlendra Kumar and Dr. Devi Shetty) who had acquired technical knowledge and skills through formal education and professional experiences identified opportunities either in technology-based work or used their technical knowledge in process and product innovation. These social entrepreneurs selected the for-profit form of organisation for their enterprise. One of the possible explanations for this could be that they had invested a lot of money and time in acquiring specialised knowledge and skills, so they wanted to earn a profit in return for their investments. In addition, all these enterprises had models which required a larger amount of financial capital than the others, because they needed to invest money for the innovation of a technology-based product, create a large infrastructure to provide services or pay at market rates to attract the talented and specialised human resources. It was observed that different interests, motivations, intentions or purposes, that is interest in maximisation of social value creation, economic interests, attracting investors or interest in creating social value to get satisfaction and to make money, sustainability and technical education influenced social entrepreneurs in selecting organisational forms for their social enterprises.

6.7   Location Identification: Family, Regional Roots and Familiarity with the Places

It was found that though location identification for starting the operations was a combined effect of multiple factors, family, regional roots and familiarity with the places played an equally important role in this process, especially in the initial stage. However, availability of resources, beneficiaries and low cost of operation were other factors which influenced location identification. A majority of the social entrepreneurs (Shaheen Mistri, Rajendra Joshi, Devi Shetty, Irfan Alam, Dr. Ashwin Naik and Kaushlendra Kumar) ultimately went back to places where they originally belonged to. Dr. Brij Kothari and Geeta Ramanujam selected those places where they spent a long duration of their lives for higher education and

professional career. Social entrepreneurs were familiar with their locations and they felt emotionally connected to the people in these places.

In the case of Dr. Armida Fernandez, her husband's suggestion played an important role in identifying the location. After completing her education, she wanted to go back to Hubli, but her husband suggested that she could do the same work in Mumbai too. She agreed and decided to work in Mumbai. Similarly, Dr. Devi Shetty was comfortable setting his business in Bengaluru because his family was settled there. It showed that the family also influenced the process of identifying locations for some social entrepreneurs. Therefore, it was found that all the social entrepreneurs identified locations to start their operations influenced by their family, regional roots and familiarity with the places.

In the study, it was also found that all the social entrepreneurs developed innovative ideas to solve identified social problems. However, I do not claim that an innovative idea is always essential to solve a social problem and create social value. I suggest further exploration of this issue.

The study reflects that social values and knowledge of social entrepreneurs acquired thorough formal education, working experiences (professional, entrepreneurial and volunteering) and past experiences played an important role in opportunity identification for social value creation. This leads to the following proposition:

Proposition 2 *'Capabilities' understood as social value, knowledge acquired through formal education, work experience and past experiences facilitate opportunity recognition/identification for social value creation.*

Opportunity recognition in social entrepreneurship is presented in Fig. 6.1. It shows that all the social entrepreneurs had strong social values or social orientation. However, some of them (primarily founders of charitable social enterprises) had strong social values since their early life, while others might have developed these gradually with their different life experiences. Opportunity recognition for social value creation was not a preplanned or well-thought-out decision. They did not preplan or predecide that they would become social entrepreneurs or start their social enterprises in future; rather, it evolved with the needs of the people. Social entrepreneurs realised these social needs/problems with their experiences in a different context. They looked at these as 'opportunities'. Thus, a variety of contextual factors influenced the opportunity identification. It included family background (financial, social and moral values, learning, upbringing, family support and confidence), social background, personality traits (e.g. rebellious and stubborn nature), formal education, work experience (professional, entrepreneurial and volunteering) and any other event or personal life experiences.

Figure 6.1 also shows that social entrepreneurs needed a spark/trigger or a moment of inspiration to develop opportunities further into full-fledged ideas to solve social problems.

After developing innovative ideas to solve the identified social problems, social entrepreneurs selected the legal forms for their organisations. It was found in the study that those social entrepreneurs who had deep belief to work for society since their early life started charitable social enterprises. One social entrepreneur who had
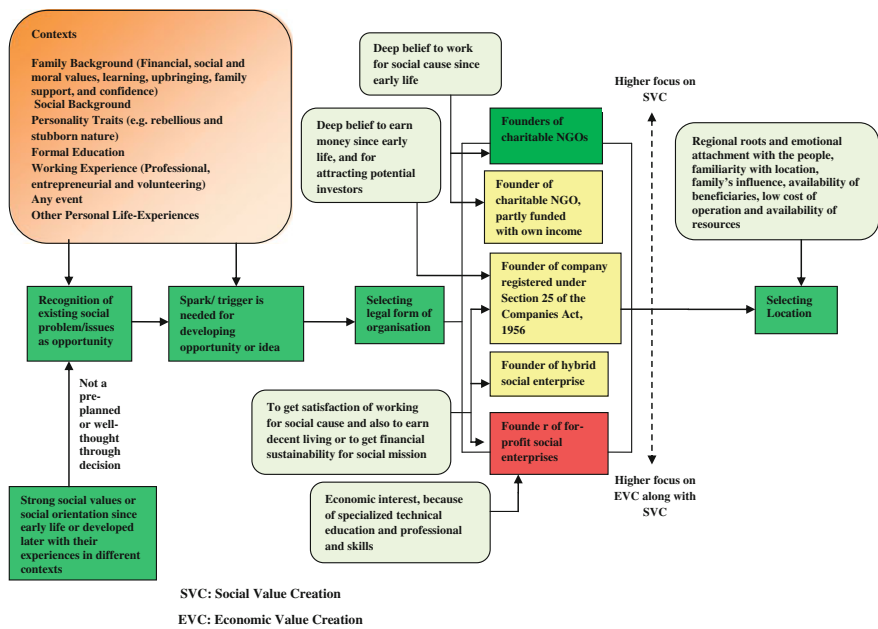
Fig. 6.1 Opportunity recognition/identification in social entrepreneurship

the strong urge to earn money since his early life—presumably due to the past financial struggles of the family—wanted to start his organisation as a for-profit. However, in order to attract potential investors towards his model, he had to register it as a Section 25 not-for-profit company.

Figure 6.1 shows that those social entrepreneurs who wanted to get the satisfaction of working for a social cause and in the process earn a decent living for themselves or to get financial sustainability for their social mission chose to follow the hybrid or for-profit route. It was also observed that those social entrepreneurs who had invested a lot of money, effort and time in acquiring specialised technical education and professional experiences selected the for-profit form of organisation because of their interest in economic value creation. It clearly reflects the difference between the approaches of these social entrepreneurs. It shows that the focus of the founders of charitable social enterprises was solely the maximisation of social value creation. Moving away from the founders of charitable social enterprises towards the founders of for-profit, the focus was shifting gradually from social value creation (SVC) to economic value creation (EVC) along with the social value creation.

After developing the ideas and selecting the legal form for their organisations, they identified the locations to implement their ideas on the ground. Figure 6.1 reflects that regional roots and emotional attachment with the people, familiarity with the location, family's influence, availability of beneficiaries, low costs of operation and availability of resources influenced the location identification of the social entrepreneurs.

References

Alter SK (2006) Social enterprise models and their mission and money relationships. In: Nicholls A (ed) Social entrepreneurship: new models of sustainable change. Oxford, New York, pp 205–232

Alvarez S, Barney JB (2007) Discovery and creation: alternative theories of entrepreneurial action. Strat Entrep J 1(1):11–26

Alvarez SA, Barney JB, Young SL (2010) Debates in entrepreneurship: opportunity formation and implications for the field of entrepreneurship. In: Acs ZJ, Audretsch DB (eds) Handbook of entrepreneurship research: international handbook series on entrepreneurship 5. Springer, LLC, pp 23–45. doi:10.1007/978-1-4419-1191-9_2

Austin JA, Stevenson H, Wei-Skillern J (2006) Social and commercial entrepreneurship: same, different, or both? Entrep Theory Pract 30(1):1–22

Bandura A (1986) Social foundations of thought and action: a social cognitive theory. Prentice Hall, NJ

Becker G (1993) Human capital: a theoretical and empirical analysis. University of Chicago Press, Chicago

Cope J (2005) Toward a dynamic learning perspective of entrepreneurship. Entrep Theory Pract 29:373–397

Corbett AC (2005) Experiential learning with the process of opportunity identification and exploitation. Entrep Theory Pract 29:473–491

Corner PD, Ho M (2010) How opportunities develop in social entrepreneurship. Entrep Theory Pract 34(4):635–659

Davidsson P, Honig B (2003) The role of social and human capital among nascent entrepreneurs. J Bus Ventur 18:301–331

Dees JG (1998) The meaning of social entrepreneurship. http://www.fntc.info/files/documents/The%20meaning%20of%20Social%20Entreneurship.pdf. Accessed 20 Oct 2008

Dees JG (2007) Taking social entrepreneurship seriously. Society 44(3):24–31

DeTienne DR, Chandler GN (2007) The role of gender in opportunity identification. Entrep Theory Pract 31(3):365–386

Dew N, Sarasvathy SD (2007) Innovations, stakeholders and entrepreneurship. J Bus Ethics 74(3):267–283

Dimov D (2007) From opportunity insight to opportunity intention: the importance of person-situation learning match. Entrep Theory Pract 31(4):561–583. doi:10.1111/j.1540-6520.2007.00188.x

Dimov D, Shepard D (2005) Human capital theory and venture capital firms: exploring "home runs" and "strike outs". J Bus Ventur 20:1–21

Dorado S (2006) Social entrepreneurial ventures: different values so different process of creation, no? J Dev Entrep 11(4):319–343

Elkington J, Hartigan P (2008) The power of unreasonable people: how social entrepreneurs create markets that change the world. Harvard Business Press, Boston

Farmer SM, Yao X, Kung-Mcintyre K (2011) The behavioural impact of entrepreneur identity, aspiration and prior entrepreneurial experience. Entrep Theory Pract 35(2):245–273

Gartner WB (1988) "Who is an entrepreneur?" is the wrong question. Entrep Theory Pract 13(4):47–68

Giddens A (1979) Central problems in social theory. University of California Press, Berkeley, CA

Giddens A (1984) The constitution of society. Polity Press, Cambridge

Hill TL, Kothari TH, Shea M (2010) Patterns of meaning in the social entrepreneurship literature: a research platform. J Social Entrep 1(1):5–31

Hockerts K (2006) Entrepreneurial opportunity in social purpose ventures. In: Mair J, Robinson J, Hockerts K (eds) Handbook of research in social entrepreneurship. Palgrave, London, pp 142–154

Jones R, Latham J, Betta M (2008) Narrative construction of the social entrepreneurial identity. Int J Entrep Behav Res 14(5):330–345

Kirzner IM (1997) Entrepreneurial discovery and the competitive market process: an Austrian approach. J Econ Lit 35(1):60–85

Kistruck GM, Beamish PW (2010) The interplay of form, structure, and embeddedness in social intrapreneurship. Entrep Theory Pract 735–761. doi:10.1111/j.1540-6520.2010.00371.x

Kwon S-W, Arenius P (2010) Nations of entrepreneurs: a social capital perspective. J Bus Ventur 25:315–330. doi:10.1016/j.jbusvent.2008.10.008

Lehner OM, Kansikas J (2012) Opportunity recognition in social entrepreneurship: a thematic meta analysis. J Entrep 21(1):25–58

Lin N (2001) Social capital: a theory of social structure and action. Cambridge University Press, Cambridge, UK

Madsen H, Neergaard H, Ulhøi JP (2003) Knowledge-intensive entrepreneurship and human capital. J Small Bus Enterp Dev 10(4):426–434

Maguire S, Hardy C, Lawrence TB (2004) Institutional entrepreneurship in emerging fields: HIV/AIDS treatment advocacy in Canada. Acad Manag J 47:657–680

Mair J, Marti I (2006) Social entrepreneurship research: a source of explanation, prediction and delight. J World Bus 41:36–44

Meek WR, Pacheco DF, York JF (2010) The impact of social norms on entrepreneurial action: evidence from the environmental entrepreneurship context. J Bus Ventur 25:493–509

Morris MH, Kuratko DF, Schindehutte M et al (2012) Framing the entrepreneurial experience. Entrep Theory Pract 36(1):11–40

Mort GS, Weerawardena J, Carnegie K (2003) Social entrepreneurship: towards conceptualisation. Int J Nonprofit Volunt Sector Mark 8(1):76–88

Neck H, Brush C, Allen E (2008) The landscape of social entrepreneurship. Bus Horiz 52:13–19

Nicholls A, Cho AH (2006) Social entrepreneurship: the structuration of a field. In: Nicholls A (ed) Social entrepreneurship: new models of sustainable change. Oxford University Press, New York, pp 99–118

Patzelt H, Shepherd DA (2010) Recognizing opportunities for sustainable development. Entrep Theory Pract 631–652. doi:10.1111/j.1540-6520.2010.00386.x

Peredo A, McLean M (2006) Social entrepreneurship: a critical review of the concept. J World Bus 41:56–65

Ramos-Rodríguez AR, Ramos-Rodríguez JA, Lorenzo-Gómez JD et al (2010) What you know or who you know? The role of intellectual and social capital in opportunity recognition. Int Small Bus J 28(6):566–582

Roberts E (1991) Entrepreneurs in high technology: lessons from MIT and beyond. Oxford University Press, New York

Sarason Y, Dean T, Dillard JF (2006) Entrepreneurship as the nexus of individual and opportunity: a structuration view. J Bus Ventur 21:286–305

Sarasvathy SD (2001) Causation and effectuation: toward a theoretical shift from economic inevitability to entrepreneurial contingency. Acad Manag Rev 26(2):243–263

Seelos C, Mair J (2005) Sustainable development: how social entrepreneurs make it happen. Working Paper No. 611, IESE Business School, University of Navarra, Spain. http://www.iese.edu/research/pdfs/DI-0611-E.pdf. Accessed 19 July 2011

Sengupta A (2009) Social capital and business venture: entrepreneurship in the ICT industry. A dissertation submitted in fulfilment of the requirements for the degree of doctor of philosophy in social sciences, Tata Institute of Social Sciences (TISS), Mumbai

Shane S (2000) Prior knowledge and the discovery of entrepreneurial opportunities. Organ Sci 11(4):448–469

Smith ML (2006) Social capital and intentional change: exploring the role of social networks on individual change efforts. J Manag Dev 25(7):718–731

Thompson J (2002) The world of the social entrepreneur. Int J Public Sector Manag 15 (5):412–431

Urbano D, Toledano N, Soriano DR (2010) Analysing social entrepreneurship from an institutional perspective: evidence from Spain. J Social Entrep 1(1):54–69

Venkatarman S (1997) The distinctive domain of entrepreneurship research: an editor's perspective. In: Katz J, Brockhaus R (eds) Advances in entrepreneurship, firm emergence, and growth. CT, JAI Press, Greenwich, pp 119–138

Weerawardena J, Mort G (2006) Investigating social entrepreneurship: a multi-dimensional model. J World Bus 41:21–35

Welter F (2011) Contextualizing entrepreneurship-conceptual challenges and ways forward. Entrep Theory Pract 35(1):165–184

Westhead P, Ucbasaran D, Wright M (2009) Information search and opportunity identification: the importance of prior business ownership experience. Int Small Bus J 27(6):659–680

Yiu DW, Wan WP, Ng FW et al (2014) Sentimental drivers of social entrepreneurship: a study of China's Guangcai (Glorious) Program. Manag Organ Rev 10(1):55–80

Zahra SA (2008) The virtuous cycle of discovery and creation of entrepreneurial opportunities. Strat Entrep J 2:243–257

Chapter 7
Resource Mobilisation (Resourcefulness)

Abstract This chapter elaborates on resource mobilisation (resourcefulness) in the process of social value creation. After the identification of opportunities, social entrepreneurs pursued opportunities without regard to the resources they had. They started resource mobilisation to start the operation of their social enterprises. These resources included human, financial and other kind of resources (mainly infrastructure and land). This chapter includes all the information related to attracting, recruiting and retaining human resources, mobilising financial resources and mobilising other kinds of required resources in the process of social value creation. Special attention is given to explore resource mobilisation (resourcefulness) in the complete process of social value creation, starting from initial stage to stage of maturity of the social enterprises. Based on the findings, three propositions are developed. Finally, resourcefulness in the process of social value creation is presented in a figure.

The study showed that once opportunity was identified, the social entrepreneur mobilised resources to exploit the identified opportunity to solve social problems. Adopted from Stevenson's opportunity-oriented definition of entrepreneurship, Dees (1998) added 'resourcefulness' to the definition of social entrepreneurship (Chap. 2). Like entrepreneurs, social entrepreneurs also do not allow their initial resource endowments to limit their options. They pursue the opportunity without regard to resources at hand at that time. In general, resources include human, financial and other kinds of resources. This chapter includes all the information related to attracting, recruiting and retaining human resources, mobilising financial resources and exploring and mobilising other kinds of required resources for social value creation. In resource mobilisation, I have identified several patterns.

7.1   Resources at Initial Stage

Social entrepreneurs mobilised different types of resources—human resources (founding team members, paid employees and/or volunteers), financial resources and other kinds of resources (mainly land and infrastructure) to start the operation of their social enterprises.

The cases showed a pattern that all the social entrepreneurs started with a limited number of paid employees and a small budget due to limited resources available at the initial stage. In the beginning, they all faced constraints for all types of resources. However, the requirement of a minimum number of employees and financial capital always depended on the kind of work they were involved in and the approaches they adopted to achieve their social mission. In this sense, social enterprises that were charitable (SNEHA, Akanksha and SAATH) and partly funded charitable social enterprise (Kathalaya) initially had a higher number of volunteers and fewer number of paid employees as compared to the profit-generating company of the not-for-profit sector ('Sammaan Foundation' registered under Section 25), hybrid organisation (NH, registered as for-profit) and other for-profit social enterprises (Vaatsalya, BookBox and KNIDS GREEN). There was also a difference in the requirements of finance and the minimum number of employees. For example, social entrepreneurs (Dr. Devi Shetty and Dr. Ashwin Naik) engaged in healthcare delivery directly to the people through their own hospitals. The large set-up of the hospital required higher financial capital and a larger number of specialised professionals such as doctors, pathologists and nurses, as compared to other profit-generating company (Sammaan) of not-for-profit sector or for-profit social enterprises (BookBox). Due to the nature of the work, others did not require a huge financial capital and a large number of paid employees. Yet, whatever their requirement, they all started initially with fewer employees as compared to the time when these enterprises had developed. Owing to the constraints of financial resources, they tried to stick to a small budget and manage with a minimum number of paid employees. Moore et al. (2012) also recognised that social entrepreneurs involved in the generation and implementation of innovative activities have repeatedly pointed to the critical need for financial support.

In this context, the study also showed a pattern across the cases that getting the first sums of money in the initial stages was most difficult for all of them, mainly because people did not believe their ideas. At the initial level, their focus was always on mobilising finances through various familiar sources within their social and professional network (is discussed in the next section) available around them. However, most of the times, a combination of sources has been used to fulfil capital requirement, which included founders' own contribution, their personal and professional relations and the banks. The study showed that founders of for-profit social enterprises such as Dr. Devi Shetty, Kaushlendra Kumar and the founder of Section 25 company Irfan Alam took loans from different banks.

Only after they proved that their innovative ideas and models had merit by establishing that their social enterprises were instruments of creating social change,

people were willing to give them money. Dr. Armida Fernandez, founder of a charitable organisation, shared her experience. She said:

> From one project to another as we started working, more and more people. They liked what we were doing. So, I started with the crèche for children, the crisis centre for violence, then maternity and new born health. We wrote out a project to ICICI.[1] They said that we will fund it. So, it wasn't difficult. Actually, like I said, the first money came, money came one by one.

A similar experience was shared by Dr. Brij Kothari, founder of a for-profit social enterprise. He mentioned:

> For social enterprise proving that you have a sustainable business model, it's probably the biggest challenge, but after you prove that…which your social mission is a sustainable business model, people are willing to invest quite a bit. And people are willing to put in patient capital, because investment, loan at low interest that and… so, all of that flows. So think, proving your… prove your mission and have a sustainable business model, that's usually the challenge.

It shows that irrespective of the form of their social enterprises, all the social entrepreneurs experienced the same difficulty. Thus, getting the first sums of money in was always difficult and proving the idea at the initial level was a major challenge for all of them. Once they proved it, with their growth, good work and change effect, it attracted more money. People then wanted to give or invest their money in these social entrepreneurs for achieving their social mission.

Thus, though they started with a minimum financial capital and a minimum number of paid employees, with the growth of their social enterprises, they were later able to raise more money and get more paid employees. For example, Dr. Armida Fernandez, founder of a charitable social enterprise 'SNEHA', started with only one paid social worker at a monthly salary of 5000 rupees, but now the organisation has more than 150 people who were all remunerated suitably.

It has also been observed that at the stage of maturity too, the requirement of employees varied in different social enterprises depending on the requirement of particular organisation. For example, Dr. Brij Kothari's 'BookBox', a well-established for-profit social enterprise had only 15 employees because it did not require a large number of employees. Despite their specific requirement of resources, they all acquired more resources with their growth. However, charitable social enterprises raised more money through funders, donations and grants from various sources, and for-profit social enterprises got more finances through investors and banks.

The above discussion shows that all the social entrepreneurs included in the study mobilised resources only after identifying opportunities for social value creation. It also reflects that they did not mobilise all the resources at the initial level itself, rather they mobilised at various stages in accordance with their requirements at different stages in the growth process. This finding leads to the following propositions:

---

[1]Here, ICICI refers to ICICI Bank in India.

Proposition 3 *After identifying opportunities, social entrepreneurs mobilise resources in the process of social value creation.*

Proposition 4 *Social entrepreneurs mobilise resources to solve social problems and create social values.*

7.2   Social Network (Personal and Professional): Role of Social Capital

As mentioned above, social entrepreneurs faced financial constraints in the initial phases, and because of it, all of them accessed human, financial and other resources through their personal (family members, friends and blood relations) and/or professional network to achieve their goals. The reason was that the resources were embedded in one's social network or associations. Individuals accessed the resources through direct and indirect ties temporarily, and it was like borrowing resources for using it to achieve a certain goal and that it must be returned or compensated (Lin 2001). Hence, resources were not personal assets, and these resources resided in the networks of relationships (Baker 2000). The resources available through personal and business networks were referred as 'social capital', to include information, ideas, leads, business opportunities, financial capital, power and influence, emotional support, goodwill, trust and cooperation (ibid.). Social entrepreneurs used their social networks and close relations to their advantage for accessing resources available to them to achieve their goals. For example, Dr. Armida Fernandez, Dr. Devi Shetty, Dr. Brij Kothari, Geeta Ramanujam, Kaushlendra Kumar and Rajendra Joshi built their team out of their ex-colleagues and others within their professional network. Dr. Devi Shetty said:

> When I started the unit in Calcutta, I built a team in England. So, we identified all the key people, I invited them to come to England. They worked with me for few months. Then we started the unit in Calcutta. When I started, we had five nurses from England, who used to work with me in that Guy's hospital. They also came and joined. So, they started this ITU management concept. Then we have been moving with the same team. Wherever I went, they all came with me. But it started getting bigger and bigger, as we moved along.

It is reflected that formal education and professional experiences of social entrepreneurs contributed to the expansion of their social networks. Madsen et al. (2003) also mentioned that previous experience and employment were essential in building the networks. It showed that human capital and social capital were significantly interrelated as 'human capital' refers to knowledge, skills and abilities of persons; this comes from their education, training and experience (Becker 1993). On the one hand, human capital provided the opportunity to form more new networks (Lin 2001), and on the other, a larger social network provided individuals more opportunity to enhance their knowledge and human capital (Chap. 6).

The study also showed that the social entrepreneur with a higher degree of trust and trustfulness was able to influence such relationships to his or her advantage.

Strong ties were usually associated with trust, and therefore, they were more able to receive informational, physical and emotional support in the venture creation process. For example, due to a lot of confidence and faith that his family members and close friends had in him, Irfan Alam not only persuaded them and succeeded in accessing financial capital available to them, but also found his team members ready to work for him without taking any remuneration in the initial year. He said:

> Initially, I said to everybody- two friends and one-two family members, on whom I could rely that… I will be very honest. I said to all of them that this is the idea. If you have faith in me, if you can believe in me, join hands. If you want to be known as change makers to revolutionalise something, join hands. This is my idea and I am going to do that. I didn't have that much money to give. So, I said, if you can trust on me, then give your time and I will ensure that you will become…I will ensure that for the time when I am not paying you, you will get rewarded much more what you deserve…. and I am glad that there were people who had faith in me more than myself.

So, I observed that the relational dimension of social capital was the most important in this regard, which is concerned with the kind of personal relationship. Relation capital focuses on particular relationships that people have, such as respect, trustfulness and friendliness (Liao and Welsch 2005). The importance of relational capital in venture creation process is also emphasised by Liao and Welsch (2005).

Thus, 'social capital' consisting of social networks/relations, and the norms and values that are generated, accumulated and disseminated through these networks, as conceptualised by Westlund and Gawell (2012), played an important role in mobilising all type of resources, especially at the initial stage for these social entrepreneurs. Several other studies in social entrepreneurship (Hasan 2005; Sakurai 2008; Westlund and Gawell 2012) and entrepreneurship (Greve and Salaff 2003; Madsen et al. 2003; Baron and Markman 2003) also had similar findings. Bhatt and Altinay (2013) found that even during the development stage of the social innovation, closer relationships with investors helped access scarce financial resources. Sakurai (2008) mentioned that social capital played an equally important role in social entrepreneurship, or even more than in commercial entrepreneurship owing to the lack of infrastructure providing access to resources during the venture's start-up stage.

Entrepreneurship research (Baron and Markman 2003) observed that high level of social capital (e.g. a favourable reputation, extensive social network) assisted entrepreneurs in gaining access to persons important for their success. Greve and Salaff (2003) observed that social relations played an important role in establishing a firm and entrepreneurs used their social capital to access resources in each phase of the establishment process. They also mentioned that in the initial phase of starting a firm, entrepreneurs wanted a protected environment to discuss their ideas, and therefore, they limited their discussions to their closest relations. On the basis of their study of entrepreneurship in knowledge-based new ventures, Madsen et al. (2003) concluded that prior experience and employment are essential in building the networks that help in securing both early and continuing finance for the ventures.

The study also indicates another pattern. Not only all the social entrepreneurs used their network/relations to access their resources to achieve their own social mission at

start-ups, but also they formed various new networks/relations, within sector or across sectors, to get access to resources available to them in the whole process of social value creation. They developed various networks/relations and formed partnerships and collaborations with multiple organisations, whether governmental, NGOs or private and individuals to access different kinds of resources available to them (social capital), such as infrastructure, financial capital and learning advanced techniques and skills. For example, Rajendra Joshi's SAATH focused on building multiple partnerships with multiple organisations for running their programmes. In most of the places, municipal corporations provided them spaces for running livelihood training programmes. They worked for the corporates in the form of corporate social responsibility and collaborated with other NGOs to achieve their social mission.

Similarly, Dr. Devi Shetty formed various networks/relations with several NGOs, with government and with big private players. Several NGOs offered their help in this process of social value creation. Dr. Devi Shetty was involved in delivering quality healthcare services to the poor through various microhealth insurance schemes of the government, such as 'Yashasvini'. He also developed a partnership with Majumdar-Shaw of Biocon fame and established the world's largest cancer hospital to make cancer treatment affordable to the masses. In this way, they not only got access to their resources for enhancing their social value creation, but also enhanced their knowledge, that is the human capital to achieve their social mission. Westlund and Gawell (2012) also had a similar finding in their study of social entrepreneurship. Austin et al. (2006) mentioned that social entrepreneurs opt to build a helpful network for access and mobilisation of resources to expand organisational capacity with limited resources. Hence, the social entrepreneurs' social and human capital influenced not just opportunity identification, but it also grew with the formation of new networks in the process of social value creation. Existing entrepreneurship literature also supports this finding. Entrepreneurs interact with other people and form a network of stakeholders based on commitments to particular transformation of extant realities into components of the new markets (Sarasvathy and Dew 2005). Bhagavatula et al. (2010) too had a similar finding in their study of entrepreneurs operating in a low-technology industry.

7.3   Team and Collective Efforts

All the social entrepreneurs dedicated their success to their strong, capable and committed teams. This was a pattern for all the social entrepreneurs. They did not own the success of their social enterprises, rather credited it to their team members. Dr. Devi Shetty mentioned:

> See, the heart surgeons are total dependent on the team. This is one game, where you can't play it alone. You can't play so long. I worked in Kolkata, I had many colleagues, and I worked in Bangalore, in Manipal Heart foundation I had many colleagues. So, we generally, cardiac surgeons, generally move in group.

Dedicating the success of his institution to his team members, he mentioned:

> See, if you are working in a country in a special team, over a period of time, you have a lot of experts around. So, all my colleagues were very good in whatever they were doing. So, they all worked together to build this institution. My contribution directly was very small.

Irrespective of the different legal organisational forms of their social enterprises and the sectoral differences, all of them expressed the same opinion. Emphasising the importance of team for any social enterprise, Irfan Alam said:

> I think the key factor is team and especially for any social enterprise you will have to have great people who believe in you. Not even in your idea, who will believe in you… that you will make them happy. That is very important.

The cases showed that strong, capable and committed teams played a significant role in achieving the social mission of social entrepreneurs. Consistent with the findings of Brinckmann and Hoegl (2011), this pattern reflects the founders' willingness and ability to collaborate. This pattern also supports the importance of 'collective action' in the process of social value creation as emphasised by scholars such as Peredo and McLean (2006), Shaw and Carter (2007) and Corner and Ho (2010). Shaw and Carter (2007) mentioned that in contrast to the perceived centrality of the founding entrepreneur, most enterprises depended on the involvement of other individuals, organisations, committees and volunteers and the terms 'community' and 'collective' were popular in describing the structures of their enterprises.

However, this finding is in contradiction with several other scholars in social entrepreneurship (Goldstein et al. 2008) and traditional entrepreneurship (Shane and Venkataraman 2000) who focused only on 'individual entrepreneur' in the process of value creation. I found that though the social entrepreneurs first started the process of social value creation, at various stages of its development, they had to take the help of or depend on several other individuals and organisations directly or indirectly to achieve their social missions. A strong, capable, committed and stable team and collective efforts helped social entrepreneurs to achieve their social missions. Even though 'organisational capability' is outside the scope of the present study, it certainly needs further exploration for building an understanding of collective efforts in social entrepreneurship.

It has also been observed that in the process of building strong, committed and stable teams, social entrepreneurs always encouraged participatory decision-making within their organisations and believed in the capabilities of the team members. They gave them full freedom in taking decisions, but provided them guidance. All the social entrepreneurs emphasised participatory decision-making, and the absence of a clear hierarchical structure in small social enterprises facilitated this process within the organisation. These types of organisational structures were more visible in smaller social enterprises, which had been working directly in the community with the poor, disadvantaged and the marginalised population of the slums or the rural areas in different sectors, for example, Dr. Armida's 'SNEHA' (charitable social enterprise working on health), Irfan Alam's 'Sammaan' (Section 25 company working on livelihood), Kaushlendra Kumar's 'KNIDS GREEN' (for-profit social

enterprise working on livelihood) and Geeta Ramanujam's 'Kathalaya' (partly funded charitable social enterprise working on education). Dr. Armida, founder of SNEHA, mentioned:

> We have values in our organisation. I expect that, because we are not a hierarchical organisation. We all are at one and we expect that across the organisation, you know. So, we have people working together, people coming together, working together. It's an approach I learnt, when I was with the NGO. In working in the hospital we had hierarchical approach, but here we have… You know, we all are at the same level. We discuss with each other and then we do things.

Apart from encouraging participatory decision-making, their focus was also on sharing, distributing or locating responsibilities to the specialised team members. Therefore, they gave opportunities to people from different specialised professional backgrounds in their teams for specific responsibilities. They did not try to do all the things on their own. Dr. Devi Shetty mentioned:

> I never tried to manage. As a doctor, surgeon… I identify the good people, give them freedom to build. They will manage it, because management is very complex. One person can't do everything. My job is primarily seeing patients, treating them, doing operations, and I always look for talented people. And we help them to fulfil. That's all. I don't manage the hospital.

Although charitable organisations (SNEHA, Akanksha, SAATH and Kathalaya), which grew in the most informal and unplanned way, took a little more time to realise its importance, they also ultimately built a team of specialised people. It has also been observed that all the social entrepreneurs focused on building the capacities of their team members in different ways, such as giving them freedom to enhance their decision-making abilities and enhancing their skills through trainings. They also emphasised the creation of a strong organisational structure and culture within their social enterprises for the growth and happiness of their employees. With these efforts, social entrepreneurs succeeded in building strong, committed, capable and strong teams, which helped them in achieving their social mission.

I observed that social entrepreneurs wanted those people in their team who shared the same social mission and had a similar commitment and passion to achieve that social mission. They sought for their passion, commitment, innovation, improvisation, fighting attitude and leadership. Irfan Alam mentioned that two most important qualities for the human resource are *Jugadoo*[2] (people who engage in improvisation) and *Jujharoo*[3] (fighter). He said:

---

[2]'*Jugadoo*' is a word in Hindi and commonly used in India. Its meaning differs from context to context. Sometimes, it is used in negative sense also. However, here it has been used in the positive sense for the person, who is able to search an alternative arrangement, an innovative approach or ways to get things done with the resources currently at hand. Here, it is used in the sense of resourcefulness that the person should be able to get things done with the limited resources available. In English, it does mean a person, who is able to 'improvise'.

[3]'*Jujharoo*' is also a Hindi word, commonly used in India. It is used for a person who is always ready to fight with a troublesome situation to get out of it and achieve his/her goal at any cost.

You should see two qualities, more than anything- *Jugadoo* and *Jujharoo*. Who knows *jugaad*… Yes, work will be done and who can fight, who can stand by you. When your work is good, then also they are very important, because they are… it's their result. It's a team work. And if something went wrong, then also they are the persons, who will stand by you, because they have seen the good time also.

However, they also considered other factors such as picking the right person for the right job and the person's ability to work in a team. Yet, the most desirable qualities that they looked for in human resources were commitment, passion, the right motivation and whether they were mission driven. Dr. Devi Shetty said:

We always look at their passion, skill can be taught. So, we hire people for the passion and we teach them the skill. Skill is not a problem.

They experienced that people who possessed these qualities stayed on for a longer time in their organisations.

It was also observed that in contrast to all the profit-generating social enterprises (whether a Section 25 company, a hybrid or a for-profit), volunteers played an important role in all the charitable social enterprises (SNEHA, Akanksha, SAATH and Kathalaya). At the initial stage, when founders of these social enterprises had severe resource constraints, volunteers played an important role. In the first few years of the social enterprises, volunteers were a major part of the human resources in these charitable organisations. Only when they raised more funds from the funders, they started the recruitment of paid employees for the organisations. It is also important to mention that not only they played an important role at the initial stage, but also they continued to be an important part of human resources at the stage of maturity in charitable social enterprises too. Geeta Ramanujam, founder of Kathalaya, said:

What we do, is, when the fund comes, we pay the salaries and when the fund is not there then we got voluntary.

On the other hand, volunteers had no role in profit-generating self-sustainable company of not-for-profit sector (Sammaan Foundation), hybrid (NH) and other for-profit social enterprises (Vaatsalya, BookBox and KNIDS GREEN).

7.4 Need for Other Kinds of Resources and Determination of Important Resources

The study also showed that apart from human and financial resources, there are other kinds of resources, which mainly included infrastructure and land. However, the need for these other kinds of resources depended on the nature of the work in which the social entrepreneurs were involved and the models they used for creating social value. For example, infrastructure was one of the most important resources for those social entrepreneurs who were engaged in healthcare delivery through their own hospitals (Dr. Devi Shetty and Dr. Ashwin Naik), providing livelihood training (Rajendra Joshi) and running centres or schools for children (Shaheen

Mistri). Thus, some of the social entrepreneurs needed big infrastructure and land too, while others needed minimal infrastructure. For example, Dr. Devi Shetty had to build an institution, a hospital, so he required land to build hospital, medical equipment, medicines, etc. On the other hand, Dr. Brij Kothari needed only a place and good set of computer systems as infrastructure.

In this context, it is important to mention that excluding three social entrepreneurs (Dr. Devi Shetty, Dr. Ashwin Naik and Dr. Brij Kothari), all the others believed that the human resource was most important factor in the process of social value creation, especially at the initial level. In contrast to this view, Dr. Devi Shetty, Dr. Ashwin Naik and Dr. Brij Kothari believed that the financial resource is most important. The models of these social entrepreneurs needed a lot of money to operate and manage their social enterprises. For example, Dr. Devi Shetty and Dr. Ashwin Naik had to make their own hospitals to deliver healthcare services to the people. Building a hospital involved huge infrastructure costs and therefore required a large financial capital.

Although Dr. Brij Kothari's social enterprise was small in terms of infrastructure, his model involved a lot of creativity and technological innovation. He innovatively created several technology-based products, such as the digital form of a storybook, games for androids and tablets, to enhance the reading and learning abilities of children. Hence, he had to invest a lot of money to recruit talented, experienced, specialised professionals having technological background and knowledge, for innovating technology-based products, which was also an expensive affair. The cost of investment in such business models was quite huge, and therefore, financial resource becomes very important for them to start and operate their social enterprises. Without sufficient financial capital, they could not even think of working on their ideas. It showed that depending on the ideas and the requirement of particular resource to work on those ideas determined the importance of a particular resource, and therefore, for them, the financial resource was the most important. This might be the reason that Dr. Ashwin Naik mentioned that though financial resource was the most important at the initial level, human resource became more important later on. Thus, a difference in the requirement of a particular resource for working on the idea might be one of the reasons for differences in their opinion about the importance of particular resource.

7.5   Attrition, Retention, Recruitment and Contextual Factors

The study showed that excluding one case (Dr. Brij Kothari), all the social entrepreneurs were facing attrition problem in their social enterprises. It is important to clarify here that Dr. Devi Shetty's organisation did not have any attrition problem for the doctors, but they also face attrition for other employees of the organisation.

It has been observed that the reasons for attrition were not the same for all the social enterprises and depended on specific factors. These were related to the

organisational form, sector, industry, beneficiaries' historical context, surroundings and reputation of the job. For example, in the NGO sector, all the founders of charitable social enterprises (Dr. Armida Fernandez, Shaheen Mistri, Rajendra Joshi and Geeta Ramanujam) and Section 25 company (Irfan Alam) had the limitation of paying limited salaries to their employees. They could not pay like the corporates did. Hence, the small salary structure in the not-for-profit social enterprises was one of the most important reasons for their attrition problem. In addition, within the not-for-profit sector as well, if any organisation did not take grants, funds or donations from anywhere, people did not want to work there. This was especially true if the organisation was in a start-up phase, because they feared not getting a sustainable salary, as this was commonplace in the not-for-profit sector. Irfan Alam's organisation 'Sammaan Foundation' is a good example of such cases. Thus, those organisations that belonged to the not-for-profit sector and did not take funds from anywhere faced an additional problem in the areas of recruitment and retention.

Some of these social entrepreneurs (Dr. Armida Fernandez and Geeta Ramanujam) also observed that people's attitude had been changing with time, and newer generations were more attracted towards money and the materialistic world. Professionally qualified people did not want to get jobs in the not-for-profit or NGO sector. This was true even for students who were in the process of completing their master's degree in social work. These students preferred to get jobs in the corporate sector in the corporate social responsibility (CSR) departments of companies. They observed that older employees were more committed towards the social mission. Dr. Armida Fernandez mentioned:

> We are facing that [attrition problem] and we are facing that more now, more recently. People who first came to us were very well qualified and very good. If they were to walk out today, they'd get much-much better salary. But they are staying on, because they are committed to our NGO. They are with us from last eleven years. But, the newer people, when have new projects, when we are creating new jobs and we offer them the type of salaries that we are offering they don't come. Corporate sector, the CSR thing is just ruined things for us. The moment they pass their MSW, then they are taken up. Then there is very little work, very cushy offices and such high salaries. Whereas our people are uncomfortable, we travel by bus and train and rickshaw and the salaries are not very high and much more…we have lots of work. So, only committed people who want to do good work will come, but there are not many.

In this situation, charitable social enterprises were the ones that were the most affected. According to Geeta Ramanujam, the period of 2003–2005 was a very difficult phase for her because at that time Bengaluru was growing in the IT industry and they were just sucking people in. Then, everybody started comparing salaries, but she could not pay as much as the corporates did. Therefore, due to this contextual factor, she had to face the attrition problem. She found that people were after money and it was very difficult to attract them towards the charitable cause in a materialistic world.

So, the main reasons for the attrition specific to social enterprises of not-for-profit sector were low salary, fear of not getting sustainable salary, changing attitude of people and their attraction towards more money and materialistic word.

Social enterprises of for-profit sectors (Vaatsalya and KNIDS GREEN) or the hybrid model (NH) too faced a similar problem due to multiple factors. It has been observed that 'Vaatsalya' and 'NH' were facing attrition problems because being part of the healthcare industry meant there was a big difference in the demand and supply of professionals such as nurses. In the case of Kaushlendra Kumar's 'KNIDS GREEN' who was working in one of the poorest states of India, Bihar, for uplifting the socio-economic condition of the farmers and vendors, contextual factors played an important role. He said:

> We always face attrition problem for the employees. I think, most of the socio-economic venture especially in this part of the country face, because team members, staff comes from society and society at large, in this part of country, due to their continuous struggle to make their livelihood, they want more stable, secure and more dignified job. Still our work vegetable procurement and selling is not considered as dignified, secure and stable job. So, it's all is going to be a challenge. I am seeing my mission. My farmers and vendors are, but for new staff members, it takes time for them to see that kind of mission that O.K. I want to achieve that. It takes time.

Due to the continuous struggle of making ends meet and earning a livelihood, people in this part of the country wanted more stable, secure and dignified jobs. The work of vegetable procurement and selling was not considered to be dignified, secure and stable. This was the reason he faced attrition problem. Two factors emerged as being important here, namely the beneficiaries' historical context and the reputation of job itself. These factors caused attrition problems in social enterprises of the not-for-profit sector as well. For example, Irfan Alam also mentioned that the rickshaw sector was considered taboo, and therefore, a job in this sector was not considered to be dignified or reputed.

These findings concur with Seth and Kumar (2011, p. 7) who mentioned, 'To understand the contemporary status of social entrepreneurship in India, we will have to take into consideration the socio-cultural and historical context in which it exists'. Thus, social entrepreneurs needed to change and adopt their approaches according to the specificity of their contexts, because contexts or environment can be supportive, but they can also create obstacles (Bull and Willard 1993), and failing to take into account the divergent contextual circumstances can result in the failure of the intervention (Trivedi 2010).

It is also important to throw light on why one social enterprise ('BookBox') did not have any attrition problem, though in 'NH' there was no attrition problem in case of doctors. Dr. Brij Kothari's 'BookBox' had a minimum number of 15 employees. It was perhaps easier to manage a small number of employees and keep them happy. They all were paid at the market rates, the job was considered as reputed and dignified, and there was also satisfaction of doing something for the social mission. In the case of doctors of 'NH', they all were happy, because apart from getting good salaries and reputation to work at a world's famous organisation towards its social mission, they also got the opportunity to do the maximum number

of surgeries and enhance their knowledge through experience and learning. Hence, due to a combined effect of salary structure, reputation of job, satisfaction to work for social mission, immense learning opportunities and exposure, they did not face the attrition problem. It has been observed that attrition problem of different social enterprises was the combination of multiple factors specific to the organisational form, sector, industry, job and the context of the beneficiaries.

It has also been observed that social entrepreneurs used different methods to recruit and retain employees for their social enterprises, though they all emphasised passion and commitment of the people while recruiting them. A clear distinction is observed on several bases such as organisational form, nature of work and job requirement. Social entrepreneurs of non-profit and not-for-profit sectors were well aware of the fact that they could not pay much to the employees and only those people who were really committed and interested in working for the social mission would continue to stay on. These two factors influenced their recruitment and retention strategies. For example, Dr. Armida Fernandez always preferred recruitment of employees through word of mouth. Irfan Alam discouraged recruitment of highly qualified corporate type of people and believed in nurturing talents. Therefore, rather than recruiting people from big institutions such as IIM and IIT, his focus was on recruiting people who were simply graduates or MBAs from local educational institutions. All these social entrepreneurs tried to provide competitive salaries according to the not-for-profit's standards, though these were much less than the corporate world. In fact, some of these entrepreneurs used other ways to get capable employees for their social enterprises, such as sharing success credit or monetary awards with team members and giving them appreciation and gifts.

In this context, Irfan Alam innovated a new way of getting and retaining capable employees for his organisation. When people came to him and shared their ideas, he told them to work there as long as they wanted and that he would help them set up enterprises based on their ideas. Hence, instead of offering them a good package, he had chosen to become a 'university of social entrepreneurship'. In this way, he was not only getting capable and talented employees for his organisation, but also helping them in solving more social problems and creating social change indirectly by helping to set up other people's innovative models.

The study showed that due to the limited capacity of paying salaries, social entrepreneurs of not-for-profit sector innovated more ways to recruit and retain employees for their social enterprises. However, it was also observed that irrespective of the different legal organisational form of the social enterprises, those social entrepreneurs working with the poor in the field or community in rural or urban areas emphasised recruitment of more field-level staff members from the community itself (for instance, Irfan Alam, Kaushlendra Kumar and Dr. Armida Fernandez). Their opportunity cost was comparatively less, they were easier to recruit, and they had good connection with the community. It was found that rather than recruiting highly qualified individuals, they believed in teaching skills and nurturing talents. For recruiting field-level staff, they were not as rigid in their conditions of recruitment and were willing to compromise. Gnyawali and Fogel

(1994) argued that a match of specific requirements of the entrepreneurs and environmental forces would lead to greater likelihood of a business start-up and success.

However, it was also observed that irrespective of the organisational form, all the social entrepreneurs were rigid about the specific job's demand. They were not all ready to compromise with the conditions of recruitment for those specific jobs. It was found that depending on the specific job's demand, they recruited professionals that fulfilled all the minimum requirements for the job. For example, even for a higher-level job, Irfan Alam recruited a person, who had the experience of operation. Dr. Ashwin Naik and Dr. Devi Shetty recruited doctors and nurses who had knowledge and experience. Dr. Armida Fernandez recruited people from the management background. Geeta Ramanujam was planning to recruit a person, who would have experience in fund raising.

7.6   Knowledge, Skills and Abilities: Role of Human Capital

The study showed that all the social entrepreneurs had severe resource constraints at the initial stage. Even though they all had contributed their own savings, their own monetary contribution towards initiating social enterprises, it was very small as compared to its total requirement. Also, they did not have other required resources such as human resources and infrastructure. However, in this resource-scarce environment too, they did not stop their work. They did not limit their ideas to solve social problems because of lack of available resources, rather they used their knowledge, abilities, intelligence and skills, that is 'human capital', to access all the required resources. Becker (1993) referred knowledge, skills and abilities of persons, which comes from their education, training and experience is referred as 'human capital' (previous section). They also mobilised the resources of others to achieve their social missions. For this, they met people within their personal and professional network (social capital), persuaded and convinced them to put money into their idea and to work for their social enterprises for achieving their social mission. For example, Irfan Alam persuaded his family members and friends to work for him in the initial years without taking any remuneration and they agreed to do that. He had the skill and had the quality to convince them for working for him. The social entrepreneurs used their social capital intelligently not only to access their resources at the initial level, but also to form several new networks, various partnerships and collaborations in the process of social value creation to get more resources to achieve their social mission.

The analysis of social entrepreneurs' mobilisation of all types of resources (human, financial or other kinds) is in agreement with Dees' (1998) view that social entrepreneurs do not allow their initial resource endowments to limit their options. They pursue the opportunity and act boldly without being limited by scarce

resources in hand at that time. He therefore added 'resourcefulness' to the definition of social entrepreneurship. It has been found in the study that in the process of social value creation, social entrepreneurs reflect the quality of 'resourcefulness' as mentioned by Dees (1998). They made the best use of available resources in a resource-scarce environment to get their things done. Stevenson and Jarillo (1990) stressed on resourcefulness in corporate entrepreneurship. They mentioned that an entrepreneurial organisation pursues opportunity regardless of resources currently controlled. In social entrepreneurship literature, several other scholars such as Zahra et al. (2009), Domenico et al. (2010) and Desa (2011) also mentioned about a similar thing and called it 'bricolage'. According to Levi-Strauss, 'bricolage' refers to making the best of available resources by combining them in novel ways to solve problems (as cited in Yujuico 2008). Social entrepreneurs used their creative and innovative abilities to make the best use of available resources and combined them in novel ways in the operational process as mentioned by Yujuico (2008) too. Therefore, apart from the effectuation theory, it would be useful to study entrepreneurial bricolage in understanding the social entrepreneurial behaviour. The reason is that both these emerging theories in entrepreneurship point to common behavioural dimensions, explicitly incorporating resource constraints as the key element of the respective theories and suggesting that resources under the control of the entrepreneur are a key source of entrepreneurial opportunity (Fisher 2012).

It has been found in the study that the human capital of social entrepreneurs played an important role in mobilising and utilising resources. Bhagavatula et al. (2010) in their study of entrepreneurs operating in low-technology industry also found that human capital such as experience, professional skills and language skills had a direct and mediated effect on resource acquisition and opportunity recognition. However, the study showed that both human and social capital played an important role not only in identifying opportunity but also in mobilising resources. Entrepreneurship literature (Bhagavatula et al. 2010) already mentioned the importance of social and human capital in opportunity recognition and resource mobilisation.

The above discussion showed that social network, that is personal and professional network, knowledge, skills and abilities (human capital) and contextual factors, played an important role in mobilisation of resources for social value creation. Thus, I pose the following proposition:

Proposition 5 *'Capabilities' in terms of personal and professional network as well as knowledge, skills and abilities influence resource mobilisation in the process of social value creation.*

Figure 7.1 shows resourcefulness in the complete process of social value creation. It shows that after identifying opportunities, all the social entrepreneurs identified the minimal required resources for initiating their social entrepreneurial operations which mainly included human, financial and infrastructure and other resources. It was found in the study that their innovation and creativity played a major role in mobilising resources (see Fig. 7.1). At the initial level, they all faced resource constraints because their ideas were new and nobody was ready to believe
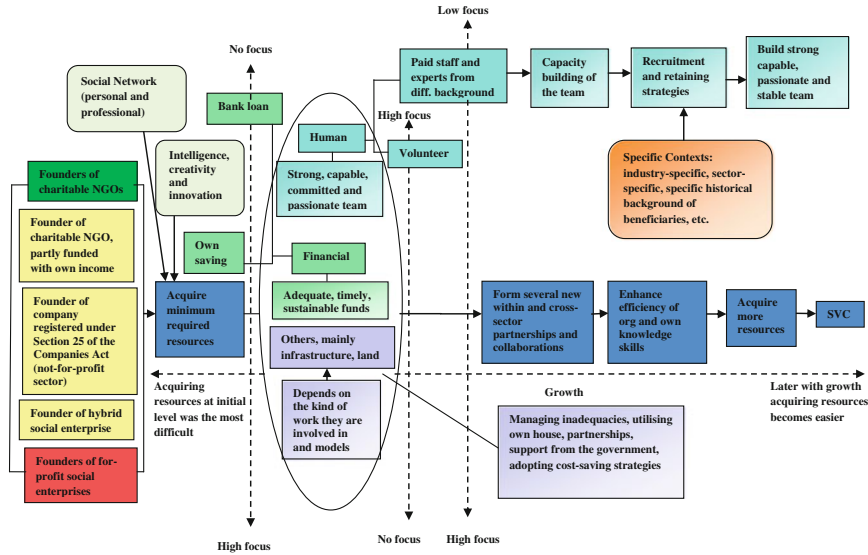
Fig. 7.1 Resource mobilisation (resourcefulness) in the process of social value creation

in them easily. In such an environment, using their intelligence, creativity and innovation, they discovered ways in which they could access different types of resources. They used mainly their social network, that is personal and professional network, to access the required resources.

Figure 7.1 shows that both volunteers and paid employees constituted human resource. However, it is clear from the figure that on the one hand where volunteers played an important role in all the charitable social enterprises and partly funded charitable social enterprise in the initial as well as later stages, this was not the case for the for-profit social enterprises. On the other hand, in contrast to the charitable social enterprises, the for-profit social enterprises focused on hiring paid experts from different backgrounds at the initial level itself. Founders of charitable social enterprises and partly funded charitable social enterprise gradually realised its need with the experiences and later recruited experts from different backgrounds. However, it is clear that all the founders focused on building strong, capable, passionate and stable teams in the long run. For this, they emphasised capacity building of their team members through various approaches.

Figure 7.1 shows that in the context of human resources, the recruitment and retention strategies of all the social entrepreneurs were influenced by a range of contextual factors specific to industry, sector, historical background of beneficiaries, etc.

As far as the financial resource was concerned, rather than the quantum of capital, adequate, timely and sustainable funds were found to be more important for the process of social value creation. All the social entrepreneurs first put their own savings and then mobilised capital through their personal and professional

networks. In addition, it was found that in contrast to the founders of charitable social enterprises, the founders of Section 25 company, hybrid and for-profit social enterprises relied on major contributions from the banks and took bank loans.

Apart from human and financial resources, infrastructure emerged as the most important resource. However, the need for these other kinds of resources depended on the nature of the work in which the social entrepreneurs were involved and the models they used for creating social value. The study showed that some of the social entrepreneurs' models involved huge infrastructure costs and this was the reason that though majority of the social entrepreneurs believed that human resource was the most important resource in the process of social value creation, some believed that financial resource was the most important resource, because they experienced great difficulty in getting financial capital on their own terms and conditions.

Irrespective of the models and approaches that they follow, it is clear from Fig. 7.1 that all the social entrepreneurs begin with the minimum required resources initially and enhance their networks by forming several new within- and cross-sector partnerships and collaborations in the gradual growth process. By forming these partnerships and collaborations, they enhance the efficiency of their social enterprises and their own knowledge and skills. Later, with the growth of the social enterprises, they acquire more resources through these networks depending on their particular requirement. However, as opposed to resource mobilisation in the initial phase, acquiring more resources at the phase in maturity becomes much easier as they have proven models which display their effectiveness in creating social impacts.

References

Austin JA, Stevenson H, Wei-Skillern J (2006) Social and commercial entrepreneurship: same, different, or both? Entrep Theor Pract 30(1):1–22

Baker W (2000) Achieving success through social capital: tapping the hidden resources in your personal and business networks. Wiley, San Francisco

Baron RA, Markman GD (2003) Beyond social capital: the role of entrepreneurs' social competence in their financial success. J Bus Ventur 18:41–60

Becker G (1993) Human capital: a theoretical and empirical analysis. University of Chicago Press, Chicago

Bhagavatula S, Elfring T, Tilburg A et al (2010) How social and human capital influence opportunity recognition and resource mobilisation in India's handloom industry. J Bus Ventur 25:245–260

Bhatt P, Altinay L (2013) How social capital is leveraged in social innovations under resource constraints? Manag Decis 51(9):1772–1792. doi:10.1108/MD-01-2013-0041

Brinckmann J, Hoegl M (2011) Effects of initial team work capability and initial relational capability on the development of new technology-based firms. Strat Entrep J 5:37–57. doi:10.1002/sej.106

Bull I, Willard GE (1993) Towards a theory of entrepreneurship. J Bus Ventur 8:183–195

Corner PD, Ho M (2010) How opportunities develop in social entrepreneurship. Entrep Theor Pract 34(4):635–659

Dees JG (1998) The meaning of social entrepreneurship. http://www.fntc.info/files/documents/The%20meaning%20of%20Social%20Entreneurship.pdf. Accessed 20 Oct 2008

Desa G (2011) Resource mobilisation in international social entrepreneurship: bricolage as a mechanism of institutional transformation. Entrep Theor Pract 1–25. doi:10.1111/j.1540-6520.2010.00430.x

Domenico MD, Haugh H, Tracey P (2010) Social Bricolage: theorizing social value creation in social enterprise. Entrep Theor Pract 34(4):681–703

Fisher G (2012) Effectuation, causation, and bricolage: a behavioural comparison of emerging theories in entrepreneurship research. Entrep Theor Pract 1019–1051. doi:10.1111/j.1540-6520.2012.00537.x

Gnyawali DR, Fogel DS (1994) Environments for entrepreneurship development: key dimensions and research implications. Entrep Theor Practice, Summer, 43–62. http://cieu.eutdh.cat/archivos/Gnyawali&Fogel_94.pdf. Accessed 13 Dec 2014

Goldstein J, Hazy J, Silberstang J (2008) Complexity and social entrepreneurship: a fortuitous meeting. E:CO, 10(3):9–24. http://www.complexityandsociety.com/files/4913/1717/4955/complexity_science_and_social__entrepreneurship_a_fortuitous_meeting_issue_10_3_3_ac.pdf. Accessed 10 Dec 2013

Greve A, Salaff JW (2003) Social networks and entrepreneurship. Entrep Theor Pract 22(1):1–22

Hasan S (2005) Social capital and social Entrepreneurship in Asia: analysing the links. Asia Pacific J Public Adm 27(1):1–17

Liao J, Welsch H (2005) Roles of social capital in venture creation: key dimensions and research implications. J Small Bus Manag 43(4):345–362

Lin N (2001) Social capital: a theory of social structure and action. Cambridge University Press, Cambridge, UK

Madsen H, Neergaard H, Ulhøi JP (2003) Knowledge-intensive entrepreneurship and human capital. J Small Bus Enterp Dev 10(4):426–434

Moore ML, Westley FR, Nicholls A (2012) The social finance and social innovation nexus. J Soc Entrep 3(2):115–132

Peredo A, McLean M (2006) Social entrepreneurship: a critical review of the concept. J World Bus 41:56–65

Sakurai M (2008) Social entrepreneurs and resource mobilization: the role of social capital. Paper presented at the third sector and sustainable social change: new frontiers for research, Barcelona (Spain), 9–12 July 2008

Sarasvathy SD, Dew N (2005) New market creation through transformation. J Evol Econ 15:533–565

Seth S, Kumar S (2011) Social entrepreneurship: a growing trend in Indian business. Enterp Pract Rev 1(4):4–19

Shane S, Venkataraman N (2000) The promise of entrepreneurship as a field of research. Acad Manag Rev 25(1):217–226

Shaw E, Carter S (2007) Social entrepreneurship: theoretical antecedents and empirical analysis of entrepreneurial processes and outcomes. J Small Bus Enterp Dev 14(3):418–434

Stevenson HH, Jarillo JC (1990) A paradigm of entrepreneurship: entrepreneurial management. Strat Manag J 11:17–27

Trivedi C (2010) Towards a social ecological framework for social entrepreneurship. J Entrep 19(1):63–80

Westlund H, Gawell M (2012) Building social capital for social entrepreneurship. Ann Pub Coop Econ 83(1):101–116

Yujuico E (2008) Connecting the dots in social entrepreneurship through the capabilities approach. Socio-Econ Rev 6:493–513

Zahra SA, Gedajlovic E, Neubaum DO et al (2009) A typology of social entrepreneurs: motives, search processes and ethical challenges. J Bus Ventur 24:519–532

Chapter 8
Capabilities of Social Entrepreneurs

Abstract This chapter is dedicated to explore the capabilities of social entrepreneurs in the process of social value creation, from start-up to maturity. Giving importance to the capabilities of social entrepreneurs in the process of social value creation, individual capabilities are discussed. Organisational capability is outside the scope of this study. Social entrepreneurs exhibited a variety of capabilities in the process of social value creation. These capabilities are divided into two categories —first, individual capabilities required for social value creation and second, entrepreneurial capabilities. Based on these findings, a proposition is developed. The capabilities of social entrepreneurs are presented in a figure.

Capabilities of social entrepreneurs become important in the process of social value creation because they are the ones who identify opportunities and mobilise resources to solve social problems. Therefore, this chapter focuses entirely on exploring the capabilities of social entrepreneurs in the process of social value creation, from start-up to the maturity. Organisational capability (infrastructure, managerial capability and second-line leadership) is outside the scope of this study. Therefore, only individual capabilities have been discussed in this chapter.

In the whole process of social value creation, from start-up to maturity, social entrepreneurs exhibited a variety of capabilities, which are put in two main categories: first, individual capabilities required for social value creation and second, entrepreneurial capabilities.

8.1 Individual Capabilities Supporting Social Value Creation

Those individual capabilities which were considered necessary for creating social value have been kept under this category. These capabilities are presented below.

8.1.1   Strong Social Orientation or Social Values of Social Entrepreneurs

A common pattern I observed across the cases was that all the social entrepreneurs have strong social orientation. They all have strong social values. They feel responsible to the society. The study shows that some of the social entrepreneurs had strong social orientation since their early lives, while others might have developed with time and experiences. Whatever the case, it is true that they all have strong social values and are socially oriented towards the society. For example, some of the cases (Dr. Armida Fernandez, Shaheen Mistri, Rajendra Joshi, Geeta Ramanujam and Kaushlendra Kumar) mentioned that they always had some kind of strong belief to work for the society since early life. For example, Dr. Armida Fernandez (founder of a charitable social enterprise) always wanted to work for the poor and that is the reason she chose medicine as her career. Coming from a privileged background, Shaheen Mistri (founder of charitable social enterprise) always felt that there should be equal rights for all children, and they should also have good opportunities. Belonging to a very conservative family, Geeta Ramanujam (founder of partly funded charitable social enterprise) always had concerns about woman's rights and capabilities. Rajendra Joshi (founder of a charitable social enterprise) always wanted to do something that would help to change the world. Kaushlendra Kumar (founder of for-profit social enterprise) always wanted to do something for uplifting the socio-economic conditions of the farmers of Bihar. Having come from a rural area of Bihar, he had seen the problems and struggles of farmers and had first-hand experience of their plight.

Katre and Salipante (2012) mentioned that defining the purpose or mission of the non-profit is a start-up action, which is from the founders' motivation of 'belief in the cause'. However, the study contributes to the existing literature by saying that not only the non-profits, but also founders of for-profits may also define the mission of the organisation influenced by his/her belief in a particular social cause. The case of Irfan Alam (founder of self-sustainable company in not-for-profit sector) showed that he had strong determination since the beginning, but not about working for the society, rather about becoming an entrepreneur and making money. However, he accepted that his parents and family environment upbringing inculcated strong social values in him and that that was the reason he opted for social entrepreneurship as his career. While doing business, he always wanted to pass on the benefits to the customers or beneficiaries. He always emphasised value over wealth, and therefore, he was not willing to compromise with his model at any cost. These cases showed that not only the founders of charitable organisations, but others also had a strong social orientation since their early life. Barendsen and Gardner (2004) also mentioned that social entrepreneurs have deeply rooted beliefs, and these beliefs are formed early. They found them exceptional in what they believe in and in how these beliefs originated.

On the other hand, there are cases (Dr. Devi Shetty, Dr. Ashwin Naik and Dr. Brij Kothari) which do not mention anything about this kind of strong social

orientation since early life. I observed that they too have strong social values. It is possible that they might have developed social values gradually with their experiences in different contexts over time. They all were well aware about their social responsibilities. Bird (1988) also mentioned that personal and social contexts interacted with rational and intuitive thinking during the formulation of entrepreneurial intentions. This entrepreneurial intention is influenced by two things. First, certain personal history (such as having prior experience as an entrepreneur), current personality characteristics and abilities prompt individuals to entrepreneurial intentions. Second, along with these individual variables, social, political and economic variables also create the context for entrepreneurship. In line with these ideas, the present study showed that all social entrepreneurs had strong social orientation or social value either developed in early life or gradually with their experiences over a period of time due to their personal history, personality characteristics and abilities or the social, political, economic and other contexts.

8.1.2 Desire to Work for a Social Mission

The cases showed that all the social entrepreneurs had a strong desire to work for a social cause, which motivated them to recognise social problems as opportunities, develop ideas, execute and manage their plans to solve social problems. In order to start the process of social value creation, an individual needed to take action for identifying a social problem as an opportunity, developing the idea and executing a plan to solve that problem. Only those who have the desire to create social value will take action towards it, while others, who do not, will not take any action towards social entrepreneurial activity. Emphasising its importance for social entrepreneurship, Shaheen Mistri mentioned:

> Biggest is desire, like you need, you want to do it. I think, desire, commitment, thought, because I think it's not easy to have that. And so you need lot of wisdom, critical thought and then grit and perseverance, you know, like sticking with something.

All the social entrepreneurs expressed their need, want and desire to solve a social problem, create social change and impact the society. Bird (1988) mentioned that though entrepreneurial ideas (for any new product, service or social movement) begin with inspiration, sustained attention and intention are needed in order for them to become manifest. Entrepreneurial intention (entrepreneur's state of mind) directs attention, experience and action towards a specific goal and a path to achieve something. In other words, the entrepreneur's intention guides setting, communication, commitment, organisation and other kind of work. This intentional process begins with the entrepreneurs' personal needs, values, wants, habits and beliefs, which have their own precursors. Hence, individuals' intention involves both their values and needs, and the outer world. The intention of individuals has been a widely used concept in the entrepreneurship literature (Bird 1988; Thompson 2009; Hayton and Cholakova 2012). Usually, all the entrepreneurs start with generalised

aspirations, such as the desire to make lots of money, or to create a valuable legacy like a lasting institution, or, more commonly, to simply pursue an interesting idea that seems worth pursuing (Sarasvathy 2001). Aspirations concern longings, aims or ambitions and refer to something desired that is not currently possessed (Farmer et al. 2011).

In the context of social entrepreneurship, I observed that because of their strong social orientation or social values, they developed their intention or need, want and desire to see the desired changes in the society, which initiated the whole process of social value creation, though some of the social entrepreneurs such as Irfan Alam and Dr. Ashwin Naik had the desire to make money as well (whether for themselves or for sustainability). Motivated with their desire, they developed innovative ideas to solve social problems.

8.1.3   Commitment and Passion for a Social Mission

Another common pattern that emerged across cases was that all the social entrepreneurs were deeply committed and had a lot of passion to achieve their social mission. According to Dr. Armida Fernandez, 'motivation' would be a mild word to explain it. Not only were they committed at the initial phase, but also their commitment and passion were evident at the maturity phase as well. The intensity of their commitment and passion for their social mission was the same through all the phases of development of their social enterprises. They stuck to their social missions. Light (2011) mentioned that social change is impossible without a deep commitment to a particular cause.

8.1.4   Self-confidence and Confidence in Deeply Believed Ideas

Another common pattern I observed was that all the social entrepreneurs had a lot of self-confidence. They also had full confidence in their deeply believed ideas too. Irfan Alam said:

> I was pretty confident always. Confidence is something which is my asset.

They all had confidence not only in the effective use of their existing abilities, but also in the potential abilities they could imbibe by learning and further developing their knowledge and skills in changing circumstances. The confidence of all the nine social entrepreneurs improved with increased knowledge, learning,

skills and experiences over a period of time. It has also been observed that the other people's confidence (mainly individuals within their personal and professional network) in the social entrepreneurs' abilities too had got enhanced. For example, Geeta Ramanujam and Irfan Alam mentioned that every time other people displayed confidence in them, their own confidence got a boost. Thus, confidence was the most important part of their capabilities, because capability is conceptualised as an integration of confidence in one's knowledge, skills, self-esteem and values, which facilitated taking effective and appropriate action within unfamiliar and changing circumstances (Stephenson 1998). Apart from their existing abilities, capability also involved potential abilities of an individual (Brown and McCartney 2004). Thus, only possession of knowledge and skills is not enough, but confidence in one's knowledge and skills is most important (Stephenson 1998).

8.1.5   Perseverance, Persistence and Hard Work

All the cases showed that the social entrepreneurs had the quality of perseverance and persistence. They stuck to their social missions. This is the reason they did not have any fear of failure, because they were ready to fail, to learn and to be trained as well. They wanted to achieve their social mission at any cost. In order to achieve their goals, they did a lot of hard work. They did not give up easily until they achieved their goals or desired outcomes. Geeta Ramanujam mentioned:

> I think, my perseverance, that's my strength. I would not give up something, until I had finished it. So, today, if something had to be done. So, there was a time, when we were doing our first workshop. And, we had to go to Avenue Road, look for the paper, give it for printing, compile the whole thing, sending the letters, invitations to 300 schools. We did everything in that one day. And, I went to sleep at 5 in the morning, including putting stamps and everything. So, we'll pour water, we will drink a cup of coffee and we will finish the job. So, that, I think, today I have it. I don't postpone something for the next day.

In order to achieve their goals, social entrepreneurs boldly faced all the difficulties in the process of social value creation. For example, they faced the constraint of resources available at hand, but managed to overcome these with their efforts. The lack of resources could not prevent them from achieving their social mission. Light (2011, p. 114) stated, 'Perseverance not only increases the odds of success, but it also addresses the disappointments that every change agent faces along the path to impact'. Light (2011) mentioned that purpose (personal mission statement) and perseverance are the two central qualities of commitment, but scholars rarely address these issues. The central predictor of perseverance is optimism, which may flow from deeper personality traits and early experiences. In his perception, it appears to be the most visible resource for sustaining action.

8.2   Entrepreneurial Capabilities

Entrepreneurial capabilities are required to perform entrepreneurial activities in the process of social value creation. The entrepreneurial capabilities of the social entrepreneurs are presented below.

8.2.1   Knowledge and Skills

It has been observed that all the social entrepreneurs started the process of social value creation with their existing stock of knowledge and skills. They acquired knowledge through formal education, and many of them also learnt specialised skills by acquiring formal education. For example, both Kaushlendra Kumar and Irfan Alam learnt managerial and marketing skills through their education at IIM Ahmedabad. All the doctors (Dr. Armida Fernandez, a neonatologist; Dr. Ashwin Naik, a surgeon; and Dr. Devi Sheety, a heart surgeon) acquired their specialised skills through education. Dr. Armida Fernandez also had excellent communication skills. Several scholars (Venkataraman 1997; Shane 2000) mentioned the importance of the information and knowledge in entrepreneurship that they already possessed.

However, they acquired knowledge not only through formal and informal education, but also through working experiences and other sources. It is important to mention here that working experiences included professional experiences, entrepreneurial experiences and volunteering experiences. For example, Dr. Armida Fernandez, Dr. Devi Shetty, Dr. Ashwin Naik, Geeta Ramanujam, Dr. Brij Kothari and Rajendra Joshi had prior professional experiences, when they started their social enterprises. Similarly, Irfan Alam had a series of entrepreneurial experiences, and Shaheen Mistri had a lot of volunteering experience of working with children. After getting knowledge through education, they enhanced their knowledge and skills through their work experiences. Although the entrepreneurship literature (Davidsson and Honig 2003; Madsen et al. 2003; Westhead et al. 2009; Farmer et al. 2011) recognised the importance of prior work experiences of the entrepreneurs in the process of entrepreneurship, much of it only included their professional and/or entrepreneurial experience and not the volunteering experiences. Thus, this study contributes to the existing social entrepreneurship literature by suggesting that apart from social entrepreneur's professional and entrepreneurial experience, volunteering experience through which they acquire knowledge should also be included as part of their work experience.

In addition, the study showed that social entrepreneurs acquired knowledge from their family, social background and their past life experiences in different contexts as well. They learnt many things from their experiences and acquired and enhanced their knowledge about various aspects. For example, Kaushlendra Kumar learnt about problems and struggles by observing people within his social background.

Geeta Ramanujam experienced the unequal treatment of a woman both within and outside her own family. Their experiences in different contexts of their lives made them aware about the situation. They also learnt from them and enhanced their knowledge. The findings affirm the study of Corner and Ho (2010) who mentioned that past experiences of social entrepreneurs created awareness of and information about particular areas that shaped opportunity development. Shaw and Carter (2007) also found networks to be critical to participating social enterprises in providing their founders with information and knowledge required to identify opportunities locally. Several scholars (Mair and Marti 2006; Jones et al. 2008) emphasised the close and deep relationship between social entrepreneurs and their contexts. Mair and Marti (2006) stressed on the interaction between social entrepreneurs and the context in which they were embedded for understanding and explaining why and how social change is possible. The concept of 'embeddedness' implied that it was impossible to detach the agent (social entrepreneur) from the structure (community, society, etc.), and therefore, they suggested that it needed to be understood in the light of the social context and the local environment.

Therefore, the study showed that social entrepreneurs started with their own stock of accumulated knowledge, through either education, work experience or past experiences of their lives. Becker (1993) referred the knowledge, skills and abilities of individuals which come from their education, training and experience as 'human capital'. In the whole process of social value creation, starting from identifying opportunity to creating social value, they used their knowledge and skills intelligently. A lot of entrepreneurship literature also recognised the important role played by human capital in the process of value creation (Dimov and Shepard 2005; DeTienne and Chandler 2007; Marvel 2011).

In the context of knowledge and skills, it was also important to mention that all the founders of profit-generating social enterprises who are founders of self-sustainable Section 25 company, hybrid and for-profit social enterprises possessed business, management or entrepreneurial knowledge and skills. For example, Dr. Devi Shetty (founder of hybrid social enterprises) learnt basic business skills from his father, who was involved in the restaurant business. Irfan Alam (founder of self-sustainable Section 25 company) had a lot of entrepreneurial experiences, because he had been doing business from a very early age. Dr. Brij Kothari (founder of a for-profit social enterprise) belonged to a *Marwari* family.[1] So, it did not matter that they acquired business or entrepreneurial knowledge through formal education or not. What mattered was whether they had strong business knowledge and skills or not, irrespective of the sources of this knowledge. These business and entrepreneurial skills could be learnt through both formal and informal education. An individual could learn these skills through his/her own experiences and by observing others. This is because individuals were capable of learning not just from their own experiences, but also from the experiences of others around them (Bandura 1986). The cases showed that having a management background provided

---

[1]In India, the Marwari community is known for its business skills.

additional benefits to some of the social entrepreneurs in managing their social enterprises. For example, Irfan Alam and Kaushlendra Kumar (founder of for-profit social enterprises) had management backgrounds and they used these skills in managing their own social enterprises. In contrast, Dr. Devi Shetty never tried to manage the hospital, because he found management to be very complex and he did not come from a management background. Therefore, for this task, he hired talented people with a management background and gave them the freedom to build. He was only engaged in seeing patients.

In contrast to the founders of profit-generating social enterprises (Dr. Devi Shetty, Irfan Alam, Dr. Ashwin Naik, Dr. Brij Kothari and Kaushlendra Kumar), founders of charitable social enterprises (Dr. Armida Fernandez, Shaheen Mistri, Rajendra Joshi and Geeta Ramanujam) did not have business or management knowledge and skills. At a later stage, however, they too started trying to learn and develop these skills for ensuring sustainability of their social enterprises. In fact, Dr. Armida and Geeta Ramanujam mentioned that due to their lack of managerial skills, they experienced several difficulties in managing their organisations. Dr. Armida Fernandez had to take the help of individuals from a management background to make her organisation a professional one. Geeta Ramanujam mentioned:

> There were a lot of time, when I thought may be a management graduate could have handled it better. Because, then we don't have to go through trial and error. OK. Because you are learning, where as a person, who has already done management, could have done faster decision. That is one thing, I felt.

Later, both recruited people from professional backgrounds. Dr. Armida recruited people from the management background. Geeta Ramanujam was also planning to recruit an experienced professional fund-raiser for her social enterprise. Non-profits are often founded on charitable contributions in contrast to for-profits. Therefore, non-profits are required to plan for sources of charitable contributions, both financial and non-financial, and need to recruit capable and competent board members, so that they can bring the key resources required for the start-up (Katre and Salipante 2012). Weinstein (2005) also mentioned that social entrepreneurs often lack the entrepreneurial knowledge of how to create a realistic business plan, of budgeting and financing and, strange as it may seem, sometimes of how and to whom to sell or promote their ideas and find support and backing. However, the study showed that business skills and having a management background played an important role in managing social enterprises and generating profits.

8.2.2 Readiness to Fail and Willingness to Learn

All the social entrepreneurs were so committed and passionate about their ideas that they were ready to experiment with new things and were prepared to fail. They did not have any fear of failure because they believed that for getting success it was important for an individual to be ready to fail. Dr. Brij Kothari mentioned:

> Social entrepreneurs have ability to withstand failure, of course. And you know that you fail, but you have to have the confidence and social entrepreneurs do fail, but having a confidence that O.K. if you fail you move on to something else.

Similarly, Kaushlendra Kumar believed that for getting success, it is important to be ready for failure. He said:

> I think, the most important thing is perseverance and an ability to be ready to be trained. If you are not ready to be trained, you cannot succeed. So, once you have made up your mind, you have to be ready to fail. Like one thing that I have always said to everybody, every people on this earth have born with the right to fail. If you are ready to fail, you will be able to succeed. If you are not ready to fail, you will not succeed.

It was also observed that to achieve their social missions, they all were always ready to learn from whatever sources were available to them. Thus, the willingness to learn was the most common ability of all the social entrepreneurs.

8.2.3 Networking and Persuasion

It has been found that social entrepreneurs had rich social networks, both personal and professional (social capital). They learnt from the people within their personal and professional networks and enhanced their knowledge and skills (human capital). In this way, their social capital provided them the opportunity to enhance their human capital. Most often, it also influenced them in identifying their opportunities. For example, many of the social entrepreneurs such as Dr. Devi Shetty, Dr. Ashwin Naik, Dr. Armida Fernandez and Geeta Ramanujam identified opportunities during their professional careers. After identifying opportunities, they used their personal and professional networks intelligently to access resources available to them. These resources are referred to as 'social capital' (Baker 2000). Baron and Markman (2003) also found that once such access was attained by the entrepreneurs using social capital, their social competence (their ability to interact effectively with others on a face-to-face basis as based on discrete social skills) influenced the outcomes they experienced.

In the present study, social entrepreneurs contacted individuals within their personal and professional network, discussed their ideas and persuaded them to provide resources available with them. They had the ability to use the social network to their advantage for achieving their social missions, and because of this ability, they could convince and persuade people to provide access to the various kinds of resources they possessed. Not only at the start-up phase, but also later, they intelligently formed various networks, partnerships and collaborations with many individuals and organisations (NGOs, governmental and private) to access more resources required in the process of social value creation and to achieve their goals. For example, the main focus of Rajendra Joshi's SAATH, a charitable social enterprise, was on building multiple partnerships with multiple organisations. Dr. Devi Shetty built partnerships with Kiran Mazumdar-Shaw to build the world's

largest hospital for cancer treatment. Kiran Mazumdar-Shaw provided the financial capital to build this hospital, and Dr. Devi Shetty followed the hybrid model similar to that of Narayana Hrudayalaya's to make cancer treatment affordable to the common man.

Social entrepreneurs opted to build a helpful network for access and mobilisation of resources to expand their organisational capacity with limited resources (Austin et al. 2006). Thus, forming networks and then, using them intelligently to their own advantage to achieve the social mission was one of the most common abilities of all the social entrepreneurs. The findings of this study support Shaw and Carter (2007) that similar to entrepreneurship, networking emerged as a key research theme in social entrepreneurship as well. Their ability to form networks helped them in the whole process of social value creation, from identification of opportunities to accessing required resources to achieving their social mission.

8.2.4 Innovation and Creativity

I conceptualised innovation and creativity as capabilities of a social entrepreneur. 'Innovation' refers to the implementation of a new or significantly improved product (good or service) or process, a new marketing method or a new organisational method in business practices, workplace organisation or external relations (OECD 2005). Most of the scholars have recognised product and process innovations as two primary types of technological change, central to economic growth and firm competitiveness (Damanpour and Aravind 2011).

A pattern has been identified across the cases that all the social entrepreneurs had a lot of creativity and the ability to innovate. All the social entrepreneurs identified social problems as their opportunities and came up with their innovative ideas to solve those social problems. Although I found this pattern in my study, I do not claim that every social entrepreneur necessarily innovates new ideas to solve social problems; rather, I suggest further exploration of this issue.

It has been observed that their creativity and innovation played the most important role in mobilising resources to achieve their social mission. It has already been mentioned that in all the cases, founders' own contribution was very small. They all had very limited amount of money at the initial stage. They faced severe resource-constraint problems, especially at the initial stage. All the social entrepreneurs included in the study started with limited means of what they knew (who they were, what they knew and whom they knew), that is their own traits, tastes and abilities; the knowledge corridors they were in; and the social networks they were a part of, as mentioned by Sarasvathy (2001) about commercial entrepreneurs. However, while knowing who knows what is likely to be valuable in increasing one's job resourcefulness, knowing who knows whom (i.e. network recognition) can further help to enhance this effect, as it allows an individual to efficiently and effectively navigate through the social network to get access to and cooperation from the expert (Ho and Wong 2009).

Bradley et al. (2012) rightly said that capital is not enough; rather, innovation is more important which can contribute to an increase in income and standards of living in developing as well as in developed countries. Therefore, they concluded that capital alone should not be considered as a 'silver bullet' for alleviating the problem of poverty in developing economies. In the present study, their creativity and innovation played an important role in deciding a different resource combination to achieve social mission by utilising their social network to access resources and form several new networks, collaboration and partnerships to mobilise more resources to get their desired goals in the whole process of social value creation. Due to their ability to innovate and create, not only they could access the resources and enhance their capabilities to perform social entrepreneurial activities, but also they managed all the challenges and difficulties in the process to achieve their social mission. Rajendra Joshi mentioned the importance of his creativity in the process of social value creation. He said:

> My creativity enabled me to express myself, in terms of managerial acumen, in terms of dealing with people, establishing a team and in terms of getting the financial support.

Covin and Slevin (1991) also mentioned that creativity and innovation are recognised as important entrepreneurial characteristics for the identification of entrepreneurs and entrepreneurial organisations. In this study, the role played by creativity and innovation in managing difficulties in the absence of proper resources could be well understood as in the case of Dr. Armida Fernandez. She mentioned:

> You know, we were in a Municipal hospital. We didn't have facility, we didn't have money, we didn't have nurses, we didn't have doctors enough. You know, it's a big public hospital. So, at every stage my thought was how to save lives of babies. So, I changed technology in the sense that, you know, I used very low cost technology. I will give you an example. Babies were dying, because they got infected… infection, whether the infection comes from the incubators that were there, that could not be cleaned. They died, because they got infection from being given milk, from bottles and… So, they were dying of infections from the incubator and from milk. So, what I decided that I throw out the incubators. So, how to keep the babies warm, pre-mature babies? So, then we used table lamp to keep them warm. I used heaters in the hospital.

Thus, in her example, lack of facilities in the public hospital, that is resource constraints, served as a source of creativity and innovation for managing things. Fisher (2012) also mentioned in the context of entrepreneurs that resource constraints serve as sources of creativity and innovation.

Leadbeater (1997) and Shaw and Carter (2007) support the finding of this study. They observed that creativity and innovation of social entrepreneurs play a major role in managing challenges and difficulties. They mentioned that social entrepreneurs are more innovative in their managerial action or management of their enterprises. The study supports the view of Dees et al. (2001) that mobilising resources is not about building cash or assets, but about building capabilities to deliver on the mission. Their creativity and innovation facilitated resourcefulness in the process of social entrepreneurship. In other words, they could achieve their social mission without being limited by resources they possessed at that time.

Similar to this finding, Domenico et al. (2010) also recognised improvisation as one of the constructs in their theory of 'social bricolage' for social entrepreneurship. However, within the entrepreneurship literature (Wiklund and Shepherd 2009), resource combinations have also been conceptualised as a management's capability of the firm, that is its ability to integrate those resources into a bundle to realise the potential value of the complementarities. Zahra et al. (2006) suggested that resource combination activities should be particularly important in dynamic environments. In this study, innovation and creativity have been conceptualised as capabilities of the social entrepreneur.

8.2.5 Rebellious Nature, Love for Challenges and Risk-Taking Ability

It has also been observed in all the cases that the social entrepreneurs always loved exciting and challenging jobs, even prior to starting their own social enterprises. When they were working (as professional, entrepreneur or volunteer), they always enjoyed challenging jobs and managing difficulties. In fact, one of the social entrepreneurs, Rajendra Joshi, mentioned that a lack of challenges was the reason for him to take a back seat in the executive role of his social enterprise. He mentioned:

> It was a considered decision. Because I had been leading the organisation for 20 years, I felt that certain amount of stagnancy had come about. It required fresh thinking, it required younger leadership and at the same time at a personal level, it was not so challenging for me to do what I had been doing for 20 years.

Their creativity and innovation played a major role in facing challenges and managing difficulties, which they enjoyed, because they always loved challenging roles. They all had the fighting attitude to face challenges. Due to their rebellious and stubborn nature, many of the social entrepreneurs did not compromise with their social mission. By challenging the existing system that was not producing the desired results, they created new ones to solve social problems. For example, Dr. Devi Shetty and Dr. Ashwin Naik challenged the existing system of healthcare delivery and replaced it by creating completely new systems of providing affordable and accessible quality health care to the people.

Some of the social entrepreneurs, such as Rajendra Joshi, Geeta Ramanujam, Irfan Alam and Dr. Brij Kothari, talked about the risk-taking ability of social entrepreneurs. Dr. Brij Kothari mentioned that social entrepreneurs take risks at many levels, personally as well as professionally, without any guarantee of success. He mentioned:

> You are risking at many levels. Right. You are risking your own professional life. At the personal level, you are definitely risking quite a bit… personally as well as professionally. Clearly, there is much easier path that probably gets you steady income whatever… money, without too much value creation socially. So, there is that risk elements involved.

The rest of the social entrepreneurs did not mention anything about it. On the basis of those social entrepreneurs who spoke about risk-taking, it can be said that they took big risks. They were so committed and passionate about their social mission that they were ready to take many risks at the personal and professional levels. They all agreed that there were much easier paths available to them, but rejecting all those, they purposely chose to work to achieve their social mission. Similar to the finding of Vasakarla (2008), I found that social entrepreneurs were high-risk takers. However, my finding contradicts with the finding of Weerawardena and Mort (2006), who found that social entrepreneurs' behaviour with regard to risk is highly constrained by their primary objective of building a sustainable organisation. They are highly oriented towards effective risk management in sustaining the organisation. Due to this contradiction, I suggest further exploration of the risk-taking ability of social entrepreneurs.

8.2.6 Leadership

All the social entrepreneurs did not clearly name 'leadership' as their one of the capabilities, when asked about their capabilities as social entrepreneurs. Some of them such as Dr. Armida Fernandez and Dr. Brij Kothari emphasised the importance of leadership quality for social entrepreneurs. Dr. Brij Kothari mentioned:

> I think leadership is very important because, at the end of the day, it is leadership that keeps your mission alive. You… bring everybody in the organisation and company to that one mission and maintaining that mission at all cost and building, of course, business model around it, but not losing sight of the mission. So, I think that mission focus is what leadership provides. So, yes, that's important.

However, I observed that they all had leadership qualities, although they did not mention about it. The study showed that social entrepreneurs first developed ideas to solve social problems or create social change and then seriously thought about the required resources. As they did not have the required resources to pursue their ideas, they discussed their ideas with others within their social network (personal and professional), convinced them to believe in their ideas and persuaded them to join hands with them to achieve their desired social mission. They influenced them to become cofounders and team members or provide different kinds of resources. Thus, they all showed their skills at convincing people and gaining their trust and faith. Barendsen and Gardner (2004, p. 45) had a similar finding and mentioned: 'Social entrepreneurs are energetic, persistent, and usually confident, with an ability to inspire others to join them in their work. Typically they feel responsible to a cause or a mission. Social entrepreneurs are usually quite pragmatic, able to describe their business plans down to the small details. If they do not enjoy practical planning, they are able to recognise this in themselves and hire others to handle these tasks'. It was found that when they built a strong and committed team to achieve their social mission, they always motivated and led the team towards

achieving a social mission. They enabled their team members to take decisions freely and at the same time always provided them guidance, motivation and encouragement to achieve their social mission. Similar to Leitch et al. (2012) in the context of entrepreneurship, I emphasised the 'role' of leadership played by social entrepreneurs in the process of social value creation, rather than emphasising 'personal characteristics' and 'traits of the leader'. Engaging everyone in the process requires leadership capacity, which involves both individual and collective leadership development (Day 2000).

In the process of social value creation, social entrepreneurs enhanced their knowledge through learning and experiences. Simultaneously, they also enhanced the capabilities of their team members and inspired them to lead the process towards achieving their social mission. Barendsen and Gardner (2004) found social entrepreneurs truly inspiring. They suggested that they should inspire others to join in their pursuits, if not as leaders, then at least as strong supporters. The rest of the society should not rely on a new species of independent contractors to address concerns brushed aside by others. In the social entrepreneurship literature (Renko 2012), social entrepreneurs are recognised as transformational leaders, whose accomplishments created opportunities for those people who were less fortunate and who transformed the lives of the poor and the disadvantaged (Alvord et al. 2004).

However, the important question was how did social entrepreneurial leaders or leadership develop? Further exploration is needed to get a clear understanding on this issue. However, in the context of entrepreneurship, Leitch et al. (2012) recognised the role of human capital and social capital in leadership development in their study. They concluded that it is a social process, in which entrepreneurs (leaders) are engaged in the practice of relational learning, whose primary focus was on the enhancement of their skills, knowledge and abilities—their human capital. This was mainly based on the understanding of the development of leadership role through their response to various challenges as individuals, as business owners/founders, as managers and as leaders. Their human capital enhancement only occurred through the development of their social capital. In sum, it was analysed that leadership development shows enhancement in the skills and abilities of the leader; leadership development, in turn, requires and relies on a social capital-based leadership development process. Beyond this, the context for leadership development in the entrepreneurial domain requires the development of institutional capital, that is formal structures and organisations, which enhances the role of social capital.

8.2.7 Ability to Understand Environment, Changing Situations and Taking Decisions

The cases showed a pattern that all the social entrepreneurs had the abilities to understand the overall situations and take decisions in changing circumstances, based on their values, knowledge and judgments. Rajendra Joshi said:

> Social entrepreneurs have understanding of the overall environment, what the market requires, what people require, how the situation keeps on changing, identifying opportunity and then, availing of those opportunities.

All the social entrepreneurs emphasised on the importance of taking decisions with changing situations or circumstances in the process of social value creation. As suggested by Sarasvathy and Venkataraman (2011), social entrepreneurs used entrepreneurship as a method of human action to solve social problems and applied and practised it for human well-being and social improvement.

The above discussion reflected that social entrepreneurs possessed both types of capabilities, individual capabilities required for creating social value and entrepreneurial capabilities. Based on the findings, I suggest the following proposition:

Proposition 6 *Possession of both types of capabilities, that is individual capabilities supporting social value creation as well as entrepreneurial capabilities, will have a positive relationship with the process of social value creation.*

Figure 8.1 presents the capabilities of social entrepreneurs, which are divided into two main categories: first, capabilities of social entrepreneurs supporting social value creation and second, entrepreneurial capabilities required in the process of social value creation. The most important capabilities found in social entrepreneurs were the desire to work for social mission, strong social values, extreme hard work, self-confidence, confidence in deeply held beliefs, perseverance and persistence and
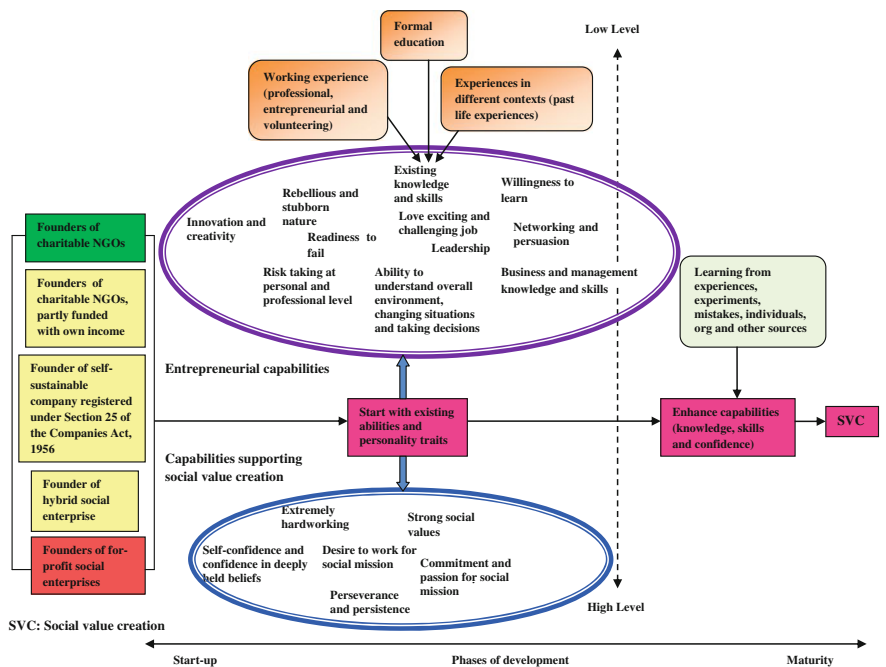

Fig. 8.1 Capabilities of social entrepreneurs

commitment and passion for a social mission. All of these together supported social value creation.

It is clear from Fig. 8.1 that among entrepreneurial capabilities, existing knowledge and skills (acquired through formal education; work experiences—professional, entrepreneurial and volunteering; and past experiences), rebellious and stubborn nature, love for exciting and challenging jobs, risk-taking ability at personal and professional levels, readiness to fail, willingness to learn, innovation and creativity, networking and persuasion, leadership, ability to understand the overall environment, changing situations and taking decisions, leadership, business and management knowledge and skills were found to be the important ones. It also shows that founders of for-profit social enterprises possessed high level of business and management knowledge and skills, in contrast to the founders of charitable social enterprises. Figure 8.1 clearly reflects the decreasing level of business and management skills of the founders, moving away from for-profit social enterprises towards founders of charitable social enterprises.

Figure 8.1 also shows that all the social entrepreneurs started the process of social value creation with their existing stock of knowledge and skills. In the whole process of social value creation, from start-up to maturity, they enhanced not only their existing knowledge and skills through continuous learning process (through various sources such as experiences, experiments/trial and errors, mistakes, other individuals and organisations and books), but also their level of confidence too, with the experiences over a period of time.

References

Alvord SH, Brown LD, Letts CW (2004) Social entrepreneurship and societal transformation: an exploratory study. J Appl Behav Sci 40(3):260–282

Austin JA, Stevenson H, Wei-Skillern J (2006) Social and commercial entrepreneurship: same, different, or both? Entrepreneurship Theory Pract 30(1):1–22

Baker W (2000) Achieving success through social capital: tapping the hidden resources in your personal and business networks. Wiley, San Francisco

Bandura A (1986) Social foundations of thought and action: a social cognitive theory. Prentice Hall, NJ

Barendsen L, Gardner H (2004) Is the social entrepreneur a new type of leader? Leader Leader 34:43–50

Baron RA, Markman GD (2003) Beyond social capital: the role of entrepreneurs' social competence in their financial success. J Bus Venturing 18:41–60

Becker G (1993) Human capital: a theoretical and empirical analysis. University of Chicago Press, Chicago

Bird B (1988) Implementing entrepreneurial ideas: the case for intention. Acad Manag Rev 13 (3):442–453

Bradley SW, McMullen JS, Artz K et al (2012) Capital is not enough: innovation in developing economies. J Manag Stud 49(4):684–717

Brown R, McCartney S (2004) The development of capability: the content of potential and the potential of content. Educ Train 46(1):7–10

Corner PD, Ho M (2010) How opportunities develop in social entrepreneurship. Entrepreneurship Theory Pract 34(4):635–659

Covin J, Slevin D (1991) A conceptual model of entrepreneurship as firm behaviour. Entrepreneurship theory and practice fall, pp 7–25. http://kisi.deu.edu.tr//ethem.duygulu/covin%20ve%20slevin.pdf. Accessed 18 Jan 2011

Damanpour F, Aravind D (2011) Managerial innovation: conceptions, processes, and antecedents. Manag Organ Rev. doi:10.1111/j.1740-8784.2011.00233.x

Davidsson P, Honig B (2003) The role of social and human capital among nascent entrepreneurs. J Bus Venturing 18:301–331

Day DV (2000) Leadership development: a review in context. Leadership Quart 11:581–613

Dees JG, Emerson J, Economy P (2001) Enterprising nonprofits: a toolkit for social entrepreneurs. Wiley, New York

DeTienne DR, Chandler GN (2007) The role of gender in opportunity identification. Entrepreneurship Theory Pract 31(3):365–386

Dimov D, Shepard D (2005) Human capital theory and venture capital firms: exploring "home runs" and "strike outs". J Bus Venturing 20:1–21

Domenico MD, Haugh H, Tracey P (2010) Social Bricolage: theorizing social value creation in social enterprise. Entrepreneurship Theory Pract 34(4):681–703

Farmer SM, Yao X, Kung-Mcintyre K (2011) The behavioural impact of entrepreneur identity, aspiration and prior entrepreneurial experience. Entrepreneurship Theory Pract 35(2):245–273

Fisher G (2012) Effectuation, causation, and bricolage: a behavioural comparison of emerging theories in entrepreneurship research. Entrepreneurship Theory Pract, September, 1019–1051. doi: 10.1111/j.1540-6520.2012.00537.x

Hayton JC, Cholakova M (2012) The role of affect in the creation and intentional pursuit of entrepreneurial ideas. Entrepreneurship Theory Pract 36(1):41–68

Ho VT, Wong SS (2009) Knowing who knows what and who knows whom: expertise recognition, network recognition, and individual work performance. J Occup Organ Psychol 82:147–158

Jones R, Latham J, Betta M (2008) Narrative construction of the social entrepreneurial identity. Int J Entrepreneurial Behav Res 14(5):330–345

Katre A, Salipante P (2012) Start-up social ventures: blending fine-grained behaviours from two institutions for entrepreneurial success. Entrepreneurship Theory Pract, September, 967–994. doi:10.1111/j.1540-6520.2012.00536.x

Leadbeater C (1997) The rise of social entrepreneur. Demos, London

Leitch CM, McMullan C, Harrison RT (2012) The development of entrepreneurial leadership: the role of human, social and institutional capital. Br J Manag. doi:10.1111/j.1467-8551.2011.00808.x

Light PC (2011) Driving social change: how to solve the world's toughest problems. Wiley, New Jersey

Madsen H, Neergaard H, Ulhøi JP (2003) Knowledge-intensive entrepreneurship and human capital. J Small Bus Enterp Dev 10(4):426–434

Mair J, Marti I (2006) Social entrepreneurship research: a source of explanation, prediction and delight. J World Bus 41:36–44

Marvel MR (2011) Human capital and search-based discovery: a study of high-tech entrepreneurship. Entrepreneurship Theory Pract May 1–17. doi:10.1111/j.1540-6520.2011.00465.x

Organisation of Economic Co-operation and Development (2005) Oslo Manual: Guidelines for collecting and interpreting innovation data. 3rd edn. http://ec.europa.eu/eurostat/documents/3859598/5889925/OSLO-EN.PDF. Accessed 10 June 2013

Renko M (2012) Early challenges of nascent social entrepreneurs. Entrepreneurship Theory Pract, April, 1–25. doi:10.1111/j.1540-6520.2012.00522.x

Sarasvathy SD (2001) Causation and effectuation: toward a theoretical shift from economic inevitability to entrepreneurial contingency. Acad Manag Rev 26(2):243–263

Sarasvathy SD, Venkataraman S (2011) Entrepreneurship as method: open questions for an entrepreneurial future. Entrepreneurship Theory Pract 35(1):113–135

Shane S (2000) Prior knowledge and the discovery of entrepreneurial opportunities. Organ Sci 11 (4):448–469

Shaw E, Carter S (2007) Social entrepreneurship: theoretical antecedents and empirical analysis of entrepreneurial processes and outcomes. J Small Bus Enterp Dev 14(3):418–434

Stephenson J (1998) The concept of capability and its importance in higher education. In: Stephenson J, Yorke M (eds) Capability and quality in higher education. Kogan, London, pp 1–13

Thompson ER (2009) Individual entrepreneurial intent: construct clarification and development of an internationally reliable metric. Entrepreneurship Theory Pract 33(3):669–694

Vasakarla (2008) A study on social entrepreneurship and the characteristics of social entrepreneurs. ICFAI J Manag Res 7(4):32–40

Venkataraman S (1997) The distinctive domain of entrepreneurship research: an editor's perspective. In: Katz J, Brockhaus R (eds) Advances in entrepreneurship, firm emergence, and growth. CT, JAI Press, Greenwich, pp 119–138

Weerawardena J, Mort G (2006) Investigating social entrepreneurship: a multi-dimensional model. J World Bus 41:21–35

Weinstein K (2005) The power, and dilemma, of honesty: action learning for social entrepreneurs. Action Learn: Res Pract 2(2):213–219

Westhead P, Ucbasaran D, Wright M (2009) Information search and opportunity identification: the importance of prior business ownership experience. Int Small Bus J 27(6):659–680

Wiklund J, Shepherd DA (2009) The effectiveness of alliances and acquisitions: the role of resource combination activities. Entrepreneurship Theory Pract 33(1):193–212

Zahra SA, Sapienza HJ, Davidsson P (2006) Entrepreneurship and dynamic capabilities: a review, model and research agenda. J Manag Stud 43(4):917–955

Chapter 9
Creating Values for the Beneficiaries: Interplay of Opportunity Recognition, Resource Mobilisation (Resourcefulness) and Capabilities of Social Entrepreneurs

Abstract This chapter explores how using their capabilities, social entrepreneurs identified opportunities, mobilised resources to solve social problems and created value for the beneficiaries. Therefore, this chapter throws light on the interplay of the dimensions of opportunity recognition, resourcefulness and capabilities of social entrepreneur/s in this process. It also focuses on the issue of continuity (sustainability), enhancement or expansion of services (scalability and replicability), finding new opportunities in the process of social value creation, problems associated with these issues, strategies used to face such problems and the measurement of social impact. After identifying opportunities and mobilising resources, social entrepreneurs initiated operations for social value creation. In order to achieve their social mission, they performed a series of actions and exhibited different entrepreneurial behaviours. The chapter also focuses on the influence of various contextual factors at different stages in the process of social value creation. It concludes the process of social value creation and presents different states involved in it. Based on findings, several patterns have been observed and propositions developed. At the end, synthesising all the propositions, the theoretical framework of social entrepreneurship is presented.

The interplay of dimensions—opportunity identification, resourcefulness (resource mobilisation) and capabilities of social entrepreneurs—showed that these are combined to create social value. In this process of social value creation, I observed several patterns.

9.1 Driver of Social Value Creation

It has emerged from the study that though social entrepreneurs pursued opportunities to address some social needs/problems/issues and bring about a desired social change, social value creation was not always the sole driver for them to pursue their

opportunities. The study showed that all the founders (Dr. Armida Fernandez, Shaheen Mistri and Rajendra Joshi) of charitable social enterprises pursued their opportunities and founded charitable organisations only to bring about desired social changes or create social impact (outcomes). Social value creation was the sole driver for them to initiate their social enterprises, through which they created impact.

Other social entrepreneurs (Dr. Devi Shetty, Dr. Brij Kothari, Geeta Ramanujam and Kaushlendra Kumar) pursued their opportunities not only for creating social value, but also for economic value to achieve sustainability for their services. Geeta Ramanujam, founder of a charitable social enterprise, started the 'Academy of Storytelling', a for-profit venture to partly support her charitable social enterprise 'Kathalaya'.

In fact, there were also a few other social entrepreneurs (Irfan Alam and Dr. Ashwin Naik) who started their social enterprises just as a regular enterprise to satisfy their financial interests. Irfan Alam always believed that it was a business, which was socially relevant. Even though the pressure of attracting potential investors made him register it as a Section 25 company, he always wanted to start it as a for-profit enterprise, which had a social relevance. Even Dr. Ashwin Naik realised that his organisation was a social enterprise, when he got funds from *Aavishkar*, a social venture capital fund. He used to measure the success of his social enterprise first on the basis of financial returns, then on the social impact that it generated. For these social entrepreneurs, social value creation was the additional driver, but the primary driver was their financial interest, though their companies had a social mission. The commitment and passion for social value creation or social mission was not less than the founders of charitable organisations. The only difference was in their approaches. Similar to for-profit business ventures with the focus on developing a financially self-sustainable business model, there is a need to emphasise the 'other' (i.e. the venture's clients or beneficiaries) to derive organisational power for producing social change (Wei-Skillern et al. 2007). All those social entrepreneurs, who blended social and economic value creation, either for sustainability or/and for themselves, knew this fact well.

It has also been observed that all those social entrepreneurs, who founded for-profit or profit-generating social enterprises (like Sammaan Foundation) in the not-for-profit sector, had the satisfaction of working for a social cause and simultaneously earning money from it, besides ensuring the sustainability of their services. Mair and Marti (2006) mentioned that social wealth creation is the primary objective in the process of social entrepreneurship. In contradiction, I argue that it is not always necessary that social value creation drives the process of social entrepreneurship, but economic interests too can drive the process of social value creation, if the social enterprise itself has a social mission. Social value creation can also be a driver of the social enterprise, in addition to the commercial one. Hence, it does not really matter whether the social entrepreneur started with the purpose of

maximisation of social value creation or economic value creation, and if his/her model is able to solve social problems, create the desired social impact and intentional social change.

9.2   Mission Drift or Mission Shift

Another pattern observed across all the cases in this study was that all the social entrepreneurs were deeply committed and passionate about their respective social mission right from the start and they were also able to continue the process of social entrepreneurship with the same commitment and passion. Some of the social entrepreneurs' objective was to create both types of value, social as well as economic. Therefore, they might have been influenced by the behaviour of both non-profit and for-profit business ventures to secure the support of their missions and business stakeholders due to the inclusion of dual social and economic goals (Dart 2004), but they all were very clear about their objectives. This might be the reason that despite the differences in the legal forms of the social enterprises, such as not-for-profit and for-profit, they never faced the tension of mission shift or the problem of mission drift in their way to achieve their social mission. However, Irfan Alam (founder of not-for-profit organisation) and Dr. Devi Shetty (founder of for-profit organisation, following the hybrid model) accepted that there was always the possible risk of mission shift or mission drift in the process of social value creation and that there was a very thin line. Similar to this finding, Jones (2007) also concluded that commercial ventures were the only ones among several paths to mission drift and that even in non-profits that have no unrelated business activities, there is potential for mission drift. The finding of the study supports the views that commercial and social dimensions within the enterprise may be a source of tension (Austin et al. 2006) and there is a potential risk of 'mission drift' within social entrepreneurial ventures (Dorado 2006).

Therefore, Irfan Alam emphasised the importance of having the heart at the right place for sticking with the mission. He mentioned:

> I think, three things are very important. Believe in yourself, great patience, and… your self-confidence, and third thing which is more important that you should have your heart at the right place. And that is the factor, which actually will guide you to stick with your mission, because the day you lose your heart, the day your heart get shifted from right place to you know… There is a very thin line. The day when I will enjoy eating in 5-star restaurant, I will be in wrong track.

He also gave credit to his family upbringing, which inculcated strong social values in him. Dr. Devi Shetty mentioned that it is entirely dependent on the conscience of the people about what they want. He knew very well that if the people lose their conscience, it is only a matter of time before the organisation starts

to die, because the seed of destruction has already been planted. Thus, the social and moral values become very important for social entrepreneurs, which may prevent them from being distracted from their social mission.

9.3   Operations at the Initial Stage

I found that all the social entrepreneurs initiated their operations with a lot of confidence in their deeply believed ideas and with certain abilities such as the readiness to fail and the willingness to learn. Shaheen Mistri said:

> I think, a lot of belief in the idea… what you are trying to do, vision, lot of belief in children, willing to still learn is I think was the big one, because in the beginning as I didn't know anything, so I was willing to ask for lot of help, a lot of feedback… and I still learn.

Their capabilities were the tools which helped them in initiating the actual execution of their deeply believed ideas on the ground.

Gaining trust of the beneficiaries was the highest priority of the social entrepreneurs and the most difficult at the initial stage. Building reputation and goodwill in the community was very important to attract beneficiaries or customers. Depending on the kind of work they were involved in and the kind of beneficiaries or customers they had to serve, different social entrepreneurs followed different approaches to gain their trust or establish their brand. Some of the social entrepreneurs spent a lot of time in establishing rapport with the people of the community. Kaushlendra and Irfan Alam both believed that there was a need to connect with their clients, customers or the beneficiaries. Kaushlendra Kumar said:

> When I go there and sit with them [vendors or farmers], they appreciate it and then they start thinking O.K. he is one of us. But if you are going there with highhandedness attitude, then you will find yourself, OK. You will be able to give them 30 min lecture, but at the end of the day, you will not be able even to get one single farmer or vendor on your side. So, that kind of things helps, if you are ready to connect with them. If they start feeling that you are one of them.

This was true especially for those social entrepreneurs who had to work with the poor and the marginalised in the rural or urban areas. Shaheen Mistri, who initiated her work focused on the education of the children of slums, said:

> I think we spent a lot of time in the community, in building relationships, trying to understand the people, and consistency. I think for them, they had a lot of doubts, because lot of people had come into the community and made promises and left the community. So, they needed to see the consistency that we actually will stay with their kids for long period of time.

When Irfan Alam started his pilot project in Noida, he spent a lot of time in helping rickshaw pullers in Delhi. He made himself always available for them, even at odd hours only to gain their trust.

On the other hand, a founder of for-profit social enterprise, Dr. Devi Shetty's emphasis was to reduce the costs and make it affordable for increasing numbers of people. He also never refused any patient, and over time patients developed trust in him. For-profit social enterprises engaged in delivering health care to the people used various approaches to create awareness about their services in the community, because profit was dependent to a great extent on the utilisation of these healthcare services. Narayana Hrudayalaya (NH) and Vaatsalya created camps in the communities. They tried to provide quality healthcare services to the poor through government micro-insurance programmes.

I also realised that the reputation built through the previous work done by the social entrepreneurs and the winning of several awards and recognition helped them to gain the trust of the beneficiaries, when they started the operation of their own social enterprises. Geeta Ramanujam had already become popular as a storyteller when she was working in the school. Hence, when she started her social enterprise, word-of-mouth publicity played an important role in attracting more beneficiaries. As a doctor of Sion Hospital (a big public hospital in Mumbai), Dr. Armida Fernadez used to visit slums once a week along with her whole department and work there to prevent them from coming to the hospital. When she started the operation of her social enterprise SNEHA, it was easier for her to gain the trust of the beneficiaries. She said:

> The way people came to know about us is because we talked about work. I think, that helped me and I had a big… I think what helped me was that I worked in the public Health System and so having worked in it they had respect for me. You know, people have to be able to trust. I worked in that system, have been known in the system for long. So, the trust that people had in it has also helped me in starting this.

Dr. Brij Kothari shared a similar experience. He mentioned:

> I think, the reputation was built primarily through the work at IIM Ahmedabad and also at PlanetRead. So, the reputation from there that yes, we have an idea that works and that is backed by research, but…that was already built, but it started through BookBox. So, both, the institute as well as work at PlanetRead and plus getting other recognition from the Schwab Foundation, social entrepreneur of the year award. So, there are several awards that we won. We had gone to global events like the Clinton Global Initiative a couple of times. So things like that have built our reputation.

Thus, gaining the trust of the beneficiaries or the customers seemed important for the successful execution of the plan. Social entrepreneurs used different ways to gain their trust. However, reputation built through previous work or recognition was quite helpful in this regard.

All the social entrepreneurs, whether founders of not-for-profit (Dr. Armida, Shaheen, Rajendra Joshi, Geeta Ramanujam and Irfan Alam) or for-profit social enterprises (Dr. Devi Shetty, Dr. Ashwin Naik, Dr. Brij Kothari and Kaushlendra Kumar) started their operation in a small way in terms of location, services, beneficiaries and resources. Shaheen Mistri said:

> We started just one centre that was in Holy Name School in Colaba. They gave us only two classrooms, so we stared with just about 15 children, very small. And we slowly grew. So,

first centre lasted for four years, then, we set up the second centre and then set up more centres after that.

However, charitable organisations (SNEHA, Akanksha, SAATH and Kathalaya) started in the most informal and unplanned ways. They had no clear idea or plan. Dr. Armida Fernandez, founder of SNEHA, said:

> I think, one big problem was that we were not professional organisation. When we started it, it was in the most unprofessional way. So, we were not a professional organisation. So that time we were getting qualified people, experts, they were all free of charge. Not we paid anybody. They offered their services, we got people who told us how to make professional organisation. As I said, we got the right people and then we made it a professional organisation. Patience. So, that was one big thing. Making it a professional….We didn't have a proper department, department, HR department, IT department we didn't have. So, when we brought in the right people, got it professional… So, it has grown, but not in a planned, smart way.

For Geeta Ramanujan, it was like the *Manthan*. She emphasised that taking decisions depending on the situation appeared better to her rather than planning everything in the beginning. She said:

> I didn't plan. No. Because, I think, it's like the *Manthan*.[1] So, you churn first. poison comes. As the situation comes, take the decision. Finally, only comes the *Amrit*.[2] Right. So, you have to take whatever comes. Chaos at the churning stage is something that you have to go through. And at that time if you want to organise and be caught mentally and be stressed, then you are being foolish. Right. So, OK this is failed, reject. Oh, this is working, take that. So, that trial and error is very essential.

However, in contrast to charitable organisations, for-profit social enterprises (NH, Vaatsalya, BookBox and KNIDS GREEN) and social enterprise registered under Section 25 (Sammaan Foundation) were started in a much more planned manner, but also at a small scale at the initial level. However, over time, all the social enterprises grew fast in terms of places, location, services, beneficiaries and resources.

9.4   Partnerships, Collaborations and Alliances

A clear pattern has emerged across the cases that all the social entrepreneurs considered in this study relied on partnerships, collaborations and alliances for social value creation. It has already been mentioned that social entrepreneurs tried to manage with limited resources. Their own financial contribution to the social enterprises was minimal. They faced resource constraints. They mobilised most of

---

[1]*Manthan* is derived from a Sanskrit word 'Manthanam', which means 'to churn'. It is associated with *Samudra* (ocean in English) *Manthan* of Hindu mythology which produced divine nectar.

[2]*Amrit* is a word, which is used in both Sanskrit and Hindi. It refers to divine nectar. This word is also used in a mythological story of Hindus.

the resources by convincing others about their social mission and ideas. In this context, they built multiple partnerships, collaborations and alliances with different types of organisations and individuals, across sectors such as NGOs, governments and private companies, to access resources available to them and use them to achieve their social missions and maximise the social impact. By building and using multiple partnerships, collaborations and alliances, they enhanced the competencies and efficiencies of their social enterprise to achieve their social mission. 'Strategic alliances are an important source of resources, learning, and thereby competitive advantage' (Ireland et al. 2002, p. 413). Alliances are being pursued as a way to achieve a range of efficiency gains, from achieving more with fewer resources to increasing the speed at which outcomes can be achieved (Wei-Skillern et al. 2007). Selsky and Parker (2010) mentioned that cross-sector social partnerships can produce benefits at individual, organisational, sectoral and societal levels. However, alliances must be effectively managed for their benefits to be realised and to build social capital and knowledge as well. It is mentioned that effective alliance management begins with selecting the right partner and maximising cooperation among the partners, and a trust-based relationship must be developed (Ireland et al. 2002).

I found that they built several partnerships, collaborations and alliances within their own sectors and across sectors as well. For example, 'SAATH' leveraged much larger resources with the funds provided by donors through partnerships with NGOs, companies and governments. Municipal corporations provided space to all these charitable social enterprises, 'SAATH', 'SNEHA' and 'Akanksha', for running their programmes. Dr. Armida Fernandez mentioned:

> We are working through existing…in partnership with public health system. We are only working with community. So, even we working with communities and empowering communities is sustainability. So, finally it's a community that needs to reach out. Systems are, already existing. We are introducing quality through system. So, we are not… that ensures sustainability. So, all our programmes are working with existing systems. We have not created our own parallel system. So, for our programme, there is a lot of sustainability between the communities than the system.

Korosec and Berman (2006) already mentioned that municipalities help social entrepreneurs by increasing awareness of social problems and by helping them to acquire resources, coordinate with other organisations and implement programmes. In this study, I found that social entrepreneurs developed partnerships with the government to create larger social impact. Shockley and Frank (2011) also clearly mentioned that little or no social change resulting from social entrepreneurship could have become 'large-scale' without the enabling institutions, resources and policies of government, even ones with reputations for inefficiency or corruption.

Dr. Devi Shetty, founder of a hybrid social enterprise, founded the world's largest cancer hospital based on the same model as that of NH in collaboration and partnership with Kiran Mazumdar-Shaw (chairman and managing director, Biocon Group) to make cancer treatment affordable and accessible to the common man. Kiran Mazumdar-Shaw provided financial capital to build this hospital. The cross-sector collaborations represent a novel form of political–economic arrangement seeking to reconcile the efficient functioning of markets with the welfare of

communities and corporate–social enterprise collaborations shaped by the value that each member of the collaboration attributes to their partner's inputs, competing practices and priorities intrinsic to the corporation and the social enterprise, and expected benefits of the collaboration to each partner (Domenico et al. 2009). Wei-Skillern et al. (2007) also mentioned that social entrepreneurs often pursue the alliance approach as a means to mobilise both kinds of resources, financial and non-financial, from the larger context and beyond their own organisational boundaries to achieve increased mission impact.

9.5 Innovation (Product and Process) and Invention

Innovation played an important role not only in identifying and developing opportunities, but it played an equally important role in the complete process of social value creation. For solving a social problem, some of the social entrepreneurs innovated process (Dr. Ashwin Naik), some (Irfan Alam) innovated products (goods or services) and some (Dr. Devi Shetty, Kaushlendra Kumar and Dr. Brij Kothari) innovated both the process and the product. It has been observed that technology influenced their ability to innovate in the process of social value creation. Most of the experts recognised that the concept of technology implies a subtle mix of know-how, techniques and tools. In this sense, technology was vested in people—their knowledge, skills and routines—just as much as in the machine they used. Machines and tools are only the physical manifestation of a particular technology or technologies (Chandra and Zulkieflimansyah 2003), and 'technological innovation' includes all the innovation activities of firms which relate to the introduction of a technologically new or substantially changed good or service or the use of a technologically new or substantially changed process (OECD 2005). In the study, some of the social entrepreneurs used existing technology, while others innovated new technology for the process and/or product innovation. For example, Irfan Alam used existing technology to innovate the battery-operated cycle rickshaw. Similarly, Dr. Devi Shetty used existing technology of 'video conferencing' as 'telemedicine' to innovate his process of connecting and treating patients at distant locations within and outside India. At the same time, he used the existing technology of 'videoconferencing' to improve the skills of his doctors and in turn improve his services to the patients as well. Through videoconferencing, the doctors of 'NH' continuously learned new and advanced techniques of surgery from specialists around the world.

In the same context, I observed that those social entrepreneurs who acquired technological knowledge through formal educational background and improved their specialised knowledge and skills through professional experiences innovated new technology-based products in the process of social value creation. For example, Dr. Brij Kothari did Masters in Physics from the Indian Institute of Technology (IIT), Kanpur, India. He innovated a lot of technology-based products, such as the

digital form of books for children, products for iPad, iPod, Android applications, etc., to enhance the reading and learning abilities of children.

Similarly, Kaushlendra Kumar, an engineer in agriculture from Gujarat Agriculture University and an MBA graduate of the Indian Institute of Management, Ahmedabad (IIM-A), created a system and process to free the farmers from price and market risk and provide better life to vegetable sellers. In the process of achieving his social mission, he innovated a range of technology-based products useful for vendors and farmers. He invented '*Samriddhii* Green AC cart' for vendors, a unique and innovative product for selling vegetables in the Indian environment. This cart helps keep vegetables fresh and hygienic. He also innovated 'Pusa Zero Energy Cool Chambers', a small storage structure for storing vegetables, made up of bricks and sand. He used simple technology to make it, and electricity was not required. Farmers only needed to sprinkle water on sand to keep it wet. Apart from these products, he also innovated 'Poly Houses' for farmers, using some specific technology such as drip irrigation or vermicomposting. Now, farmers could also grow non-seasonal products and earn better incomes. Hence, these social entrepreneurs possessed specialised technological knowledge and skills. They believed in their capabilities to organise and execute the course of actions to complete the technology tasks to produce social change. It was their self-efficacy proposed by Bandura (1995, 1997). 'Efficacy beliefs influence how people think, feel, motivate themselves and act' (Bandura 1995, p. 2). It is dependent on various factors such as their understanding of experiences, various experiences provided by social models, technological knowledge, verbal persuasion and psychological and affective states in judging their capabilities and social network (Bandura 1995, 1997). Research in entrepreneurship has already shown the importance of prior knowledge, social network and identity for entrepreneurs (Dew and Sarasvathy 2007).

9.6 Learning

A common pattern identified is that all the social entrepreneurs always showed their willingness to learn in the complete process of social value creation. In their way to achieve the social mission, they learnt many things from various sources and enhanced their knowledge. They learnt from their own experiences. For example, over a period of time, Dr. Devi Shetty learnt the art of managing with modest revenue and the professionals working with him also learnt to differentiate between need and greed. Therefore, they did not expect to be paid big private hospital salaries.

Social entrepreneurs learnt from their experiences by realising their mistakes of the past and, finally, rectified and modified their models accordingly. For example, during the recession of year 2008, Irfan Alam lost a major part of his revenue because he began to focus solely on improvements for rickshaw pullers. His main source of revenue was advertisements on rickshaws, but clients were not ready to

pay higher charges for advertisements on these rickshaws. Then, after 2008, he started adding traditional rickshaws as well because he realised that ultimately he had to increase his net by bringing an increasing number of customers and beneficiaries. Initially, he had ignored all of these things. Shaheen Mistri and Dr. Ashwin Naik also learnt from their mistakes and never repeated them again.

Experiments, trial and error, and failure proved to be a major source of their learning. Many social entrepreneurs such as Kaushlendra Kumar, Shaheen Mistri, Geeta Ramanujam and Dr. Brij Kothari emphasised the importance of trial and error and experimentation in the process of social value creation. Dr. Brij Kothari first tried a paid download model, but when it did not work as expected, he tried using the digital form of distribution channel. He put all his contents for free on YouTube to make it accessible to more people. It worked and then, he built a revenue model around that. He mentioned:

> You try different things, because some things don't work and when you work to complete your idea. For example, paid download model. It's not right model. We took it quite a bit of time to realise that. So, now we are more making our content accessible openly and building the revenue model around that. So, more ad [advertisements] driven to that. We learnt through various things that we have tried.

Social entrepreneurs learnt from other individuals (professionals) too. For example, Shaheen Mistri learnt from her employees who had more knowledge in some areas. Dr. Armida Fernandez learnt many things from her friends from the management background, who came to 'SNEHA' as volunteers. Geeta Ramanujam learnt accountancy from an accountant.

Apart from learning from their experiences, mistakes, trial and error (experimentation), other individuals or professionals, they learnt from other sources such as books. For example, Geeta Ramanujam learnt a lot from books on various subjects.

It showed that social entrepreneurs did not possess the required knowledge and skills at the beginning. They were not born with all these abilities, rather they were acquired through formal education, professional experiences and different experiences throughout their lives in different contexts, and these got enhanced in the process of social value creation through learning from various sources as mentioned above. I present my view against Dees' (1998) argument, who emphasised that social entrepreneurs are a special breed of leaders, and supports the behavioural theory (Gartner 1985, 1988). However, I accept that some of the personality traits and characteristics contribute positively to the social entrepreneurs based on the findings of the study. This study supports Light (2006), who mentioned that the available evidence from social entrepreneurs suggests that success depends less upon personality than it does on teachable skills, such as the ability to activate the public, raise capital, negotiate results and manage the difficult transitions involved in taking an organisation from its initial start-up phase to maturity. In the context of entrepreneurship, DeTienne and Chandler (2004) found evidence that training on creativity influenced the ability to generate more innovative ideas. Thus, the willingness to learn was also the most common ability of all the social entrepreneurs.

Although they had started with their existing knowledge and skills, this got enhanced through the continuous learning process in the process of social value creation. The study showed that due to the continuous learning process, social entrepreneurs enhanced their confidence over a period of time with their experiences. For example, Shaheen Mistri started with 'after-school model', but over a period of time when she gained more confidence and experience, she started 'full-time schools' for the children.

9.7   Future Planning and Development of Second-Line Leadership

Social entrepreneurs started their operations in an unplanned or least planned manner initially. The study showed a pattern that was in contrast to the initial phase; there was an increased amount of goal setting and subsequent planning to achieve these goals in the later stages when their social enterprises had developed and established till the stage of maturity. Dr. Devi Shetty, who followed the hybrid model, said about his future target:

> We want to add thirty thousand beds, all over the world, where we can. That's our first target. We want to reach there within five years to seven years. Our intention is to become the largest healthcare provider on the earth. Why we are obsessed with "largest", not because it will make us something…anything great. It's just that then we can dictate terms, with the companies which make medicines, companies which make equipments. We can dramatically change the price structure of these products. Because if you look at the top 10 or top 5 Fortune 500 companies.… No. 20 of the top 50 Fortune 500 companies…Most of them are in health care. And the top 5 their profit is more than the other 495 companies put together. That is the kind of profit that they make… these healthcare companies. They may be into drugs, machines, whatever. That is insane. Why they are doing this, because nobody is challenging them. Our desire is to challenge all these input costs and reduce the cost. So that people don't have to sell their assets to pay their medical bills.

It is important to mention that not only for-profit, hybrid social enterprise, self-sustainable Section 25 company and partly funded sustainable NGO, but also charitable social enterprises started setting goals and planning the future course of action to achieve these set goals at the later stages. However, the charitable NGOs had grown in the most unplanned way from the initial level.

The study showed that all the founders of charitable organisations (Dr. Armida Fernandez, Shaheen Mistri, Rajendra Joshi and Geeta Ramanujam) focused on developing second-line leaders. They believed in nurturing talent and wanted other people to develop and grow. In their opinion, the organisation must continue beyond the person. Till the organisation became matured and developed, most of these social entrepreneurs (Dr. Armida Fernandez, Shaheen Mistri and Rajendra Joshi) trained, developed and prepared the second-line leaders within their organisations. They handed over all the operating responsibilities to these newly emerging trained leaders and had full confidence in their abilities. At this stage, the

founders took a back seat, but made themselves available to give their inputs and guidance whenever it was necessary or required. Geeta Ramanujam also identified a second-line leader within her social enterprise, who was soon going to take over the operating responsibilities of Kathalaya.

Although the organisation's continuity was the main common reason for them to engage in this process, there were other personal reasons as well. For example, when the work at SAATH did not remain challenging for Rajendra Joshi, he opted to move out and start another for-profit social enterprise 'Empower *Pragati*' to regularise the domestic workers in the unorganised sector of Ahmedabad (Gujarat). Similarly, Shaheen Mistri started 'Teach For India', a non-profit organisation, to prepare future leaders for educating the children and creating more impact. For Geeta Ramanujam, her growing age was a concern, because her field of storytelling required a lot of physical energy. Whatever their reasons may be, all the founders of charitable organisations developed second-line leaders within their social enterprises for its continuity. In contrast to the charitable organisations, development of second-line leadership was not seen in any of the for-profit social enterprises, hybrid organisations or even in Section 25 company. However, only one of the founders of a for-profit social enterprise, Dr. Ashwin Naik, raised concerns over it. He said:

> From the company perspective, the big challenge for us is to build the next set of leaders who will take over. So that involves creating a very transparent performance management system, training and a long term investment in generating human resource. At a company level that is the challenge.

It poses the question, why has second-line leadership not emerged in the organisations which are for-profit, hybrid or Section 25 company. I suggest further exploration of this issue to find out the reasons for the absence of a second line of leadership in profit-generating social enterprises.

9.8   Sustainability Issue

I found in the study that founders of all the charitable organisations (Dr. Armida Fernandez, Shaheen Mistriand Rajendra Joshi) and partly funded charitable non-profit social enterprise (Geeta Ramanujam) had to struggle a lot to get continuous, sufficient and sustainable funds. They all started their social enterprises with the sole objective of creating social value, but after a period of time, they all started facing the problem of getting sustainable funds. However, they all managed somehow, but getting sustainable funds was always a challenge for them.

Facing the same problem, Geeta Ramanujam had to think of an alternative to partly support 'Kathalaya' by generating funds in-house. Therefore, she later started a separate for-profit social enterprise, 'Academy of Storytelling'. However, sustaining both 'Kathalaya' and 'Academy of Storytelling' was again a challenge for her. On the other hand, Dr. Devi Shetty's hybrid model and Irfan Alam's

Section 25 company did not face any sustainability problems. Despite being a not-for-profit company, Irfan Alam's 'Sammaan Foundation' had been generating profits since the first year of its operation.

In contrast to the founders of purely charitable and partly funded charitable social enterprises, it was found that founders of for-profit ventures (Dr. Ashwin Naik and Kaushlendra Kumar) did not face this type of problem. Except Dr. Brij Kothari's 'BookBox', all the founders of for-profit social enterprises were self-sustainable with their own generated profits. Within a year or two, 'BookBox' too would be fully self-sustainable.

Thus, it is concluded that any kind of dependency on charity, donation or grants (fully or partly) led to the problem of financial sustainability for social enterprises in the long run. On the other hand, social enterprises of not-for-profit sector too, even if they denied any kind of donation or charity, could become self-sustainable organisations.

9.9 Strategies to Ensure Sustainability

The study showed that to address the problem of sustainability, founders of charitable social enterprises adopted a combination of multiple strategies. For example, they made a profit-generating programme a separate entity either by registering it as a Section 25 company or a for-profit organisation, involved in income-generating activities, etc. It has been found that non-profit organisations experienced increasing pressures to be more business-like by focusing on financial outcomes for sustainability and growth (McDonald 2007). Amidst the pressure to become self-financing, NGOs have become increasingly involved in profit-generating business ventures (Ly 2012).

However, despite the differences in the legal forms of their organisations, there has been a pattern of social entrepreneurs focused on diversifying their sources of funding or revenue generation options. It has been observed that getting financial sustainability for their social enterprises was the primary reason for doing that. For example, founders of all the charitable social enterprises (Dr. Armida, Shaheen Mistri and Rajendra Joshi) diversified their sources of funding. They were getting donations and funds from funding agencies, the government, individual donors and corporates (in the form of CSR). With the help of these sources, Dr. Armida Fernandez created a 'corpus fund' to deal with any kind of emergencies.

All the founders of self-sustainable enterprises, such as Section 25 company (Irfan Alam), hybrid organisation (Dr. Devi Shetty) and for-profit social enterprises (Dr. Ashwin Naik, Dr. Brij Kothari and Kaushlendra Kumar),believed right from the start that a social mission dependent on charity was not sustainable. According to Dr. Devi Shetty, for sustainable social value creation, the model should be based on good business fundamentals to generate profits. He said:

> First of all, we clarify to everyone that charity is not scalable. If we are going to do it free for ever, we are going to die. It has to be based on very good business fundamentals. We are one of the…perhaps the only organisation in the world, which has a balance sheet on a daily basis. We get a profit and loss account every day, which comes to my phone. All the senior administrators get a message about the previous day's revenue, expenses and a bit of margins. So, we respect money. All over the world people talk about the reducing the cost of health care, but nobody knows that how much money they are spending today. How are you going to reduce, if you don't know, how much is cost today? Our concept is, we have to be very vigilant about our revenues, expenses, how much money you spend, what is a wasteful expense, these things, you have to be very careful.

Hence, they always emphasised generating sustainable profits through different sources. For example, Irfan Alam (founder of self-sustainable company in not-for-profit sector) earlier diversified his sources of revenue generation into four categories, namely advertisements, manufacturing, product sale and financing. However, when he started working in the health domain in partnership with the government of Bihar, there was revenue generation from the health domain as well. In fact, from the next financial year, his health domain revenue would be much higher than the main one.

Using 'economies of scale' and the hybrid model to reduce the costs of providing healthcare services, Dr. Devi Shetty was able to make sustainable profits, while providing affordable health care to the people. Dr. Ashwin Naik (founder of a for-profit) focused on maximum utilisation of his healthcare services, financial viability, central purchasing and accepting own limitations of providing quality healthcare services to the people to make sustainable profits. He was aware that he could not solve all the problems and provide his services to the bottom 30 % of the population, because that would not be financially viable for the company. Dr. Brij Kothari is another example. He explored different avenues for revenue generation by providing subtitling services to other people's content and by licensing his own content on television. Hence, he had revenue streams, advertisements, as well as licensing revenues. Kaushlendra Kumar (founder of a for-profit social enterprise) also diversified his sources of revenue generation. Apart from his main business of procurement and sale of vegetables, he had been generating profits by selling 'Samriddhii AC Carts' and other innovative products manufactured by his for-profit venture. Therefore, not only founders of charitable social enterprises, but founders of profit-generating social enterprises also diversified their sources of revenue generation to make sustainable profits to get financial sustainability.

9.10 Replication, Scalability and Identifying New Opportunities

At the maturity level, though all the social entrepreneurs wanted to expand their work in other areas and locations to maximise their social impact or social value creation, it has been observed that founders of charitable social enterprises

(Dr. Armida Fernandez, Shaheen Mistri and Rajendra Joshi) and partly funded social enterprise (Geeta Ramanujam) were not too ambitious about replication and scalability of their models in other places. Geeta Ramanujan also said:

> I am fine with what I have right now. I am not very ambitious. I feel, if it happens, it will be bonus. Because I am happy with the way … Today, I am happy with the way it is. What I wanted in 2000 that I have achieved. So, now if it happens, if somebody will build up, donate and help me to establish my Story land in outskirt of Bangalore or near by Bangalore, so that it will be a story place for children, adults, old age people, want to come and listen a story. We also had an acre of land in Kanakpura Road, we also sorted outside of Bangalore. But again, we need funds to develop it. I don't want to run behind it. If it happens, good, doesn't, somebody will take it forward.

A general lack of financial resources might be one of the important reasons for it. It has been observed that they were satisfied with the present status of their work, but showed willingness and enthusiasm to replicate and scale their models elsewhere if the financial and other resources required for it would be made available to them. For example, when Rajasthan government offered financial resources to Rajendra Joshi's 'SAATH' (a charitable social enterprise), he partnered with the government to replicate one of his livelihood programmes *Ummeed* (Gujarat) by the name of *Udaan* in Rajasthan. On the one hand, where 'SAATH' always emphasised building multiple partnerships for scaling up, Geeta Ramanujam on the other hand encouraged franchises for replicating her model in other parts of the country. If somebody wanted to take a centre and work whole heartedly in storytelling, she was ready to handhold him/her. It has been recognised that the franchise model enhanced social enterprises by addressing non-profit challenges of replication and scale. An organisation franchises its 'proven social enterprise model', sells it to other not-for-profits to operate as their own business. In this way, it helps the social enterprise in achieving economies of scale and profit or viability along with it. In other words, the franchise model enhances scalability and social and economic value creation through replication (Alter 2006). It showed that the founders of charitable social enterprises and partly funded charitable social enterprise were willing to replicate and scale their models if they would get financial help from other NGOs, government or private companies.

On the other hand, it has been observed that founders of self-sustainable Section 25 company (Irfan Alam), hybrid social enterprise (Dr. Devi Shetty) and for-profit social enterprises (Dr. Ashwin Naik, Dr. Brij Kothari and Kaushlendra Kumar) were highly ambitious about expanding their models through replication and/or scalability in different places within and outside India. They were always interested in creating a mass impact and wanted to benefit more people to enhance their social impact. For example, Dr. Devi Shetty wanted his company to become the largest in the world, just because he wanted to be able to better negotiate with the manufacturing companies for further reduction in the cost of medical equipment, medicines and other essential supplies. His aim was to make healthcare services even more affordable to the masses. Dr. Ashwin Naik was operating in two states of India (Andhra Pradesh and Karnataka), and he planned to enter some other states as well. However, it is important to mention here that only one founder of

for-profit social enterprise, Kaushlendra Kumar, was against the concept of scalability. He believed that scalability of a social enterprise was not important; rather, the replication of the model in other parts was the significant part. Also, it was not important who was doing it. It showed that though he himself did not want to be present in many parts of the country, he surely wanted his model to be replicated to benefit more people. He said:

> See, scalability, it comes from western culture or western management side in our society in India. Western culture thinks that you are successful, if you have operation in ten countries, where you have become 10 billion, 20 billion organisation. Is this a right way to measure whether we have spread to other areas or not?

Sharing some of his experiences, Kumar emphasised that achieving the mission is much more important than the scalability. He further said:

> Like just 5 or 6 months back, there was for a forum, where I was invited to speak on this scalability and replicability for social entrepreneurship and all. I asked the first question to the chairman of the forum, why do we need scalability? Is this far important than achieving your mission? I can achieve my mission by incubating more entrepreneurs in different parts of the country. My organisation has not scaled up, but my mission has. Like Dr. Verghese Kurien has started this concept of milk co-operative and all, with his organisation started. Had his organisation spread all across India? No. Every state has different kind of marketing and milk co-operatives and all. So, what do we want to say, Verghese Kurien has not achieved his mission? He achieved his mission. We need to understand, it's a socio-economic venture, social enterprise. For us our mission is more important than money. And that money concept is percolating into social enterprise sector also. I want to open my office in this, this and this… But why the hell you want to? Find suitable entrepreneur over there and ask them to manage, ask them to grow. You just provide handholding, that's it, like we have developed a social entrepreneur in Jaipur. He and his team are managing everything.

Several organisations and the government had been replicating his model. In this context, Smith and Stevens (2010) explained how the role of 'sites and spaces' may affect the social entrepreneurial process; specifically, the variance in the geographic focus of different types of social entrepreneurship influenced the types of social networks in which social entrepreneurship is embedded. They mentioned that geographic scale and scope affects the degree of structural embeddedness a social entrepreneur is likely to require for their venture to be effective; specifically, entrepreneurs maintaining a more localised focus—as a result of the unique nature of the problems they have identified, the unique knowledge of the community to the problem or the limited applicability of the problem to other contexts—will maintain a more direct relationship with that community and its key stakeholders. In contrast to these locally focused social entrepreneurs, social entrepreneurs seeking to address problems on a more universal scale will reach out to a more varied and less individually involved group of stakeholders to create the umbrella of impact they desire to achieve. In such a large context, their contact with each stakeholder is likely to be less intense, less lasting and perhaps less meaningful. Although this conclusion offers important insights for the budding social entrepreneur, who must

be aware of the constraints of time and space on their ability to grow and maintain their venture, further exploration on this issue is suggested.

It has also been observed that for replication and scalability, all the social entrepreneurs (founders of charitable social enterprises, partly funded charitable social enterprise, hybrid, self-sustainable Section 25 company and for-profit social enterprises) looked at the government for help. The government of India also wanted to solve the same social issues in which the social entrepreneurs were engaged. They shared a similar social vision with the social entrepreneurs. Hence, when they observed that the models of these social entrepreneurs have created social change or social impact effectively in a particular area, they were ready to cooperate in many ways (such as in the form of providing financial resources, giving subsidies to their innovative products and providing them infrastructure and space) for creating the same social impact in larger areas. Thus, the sharing of social mission and vision was the crucial factor, which influenced governments to cooperate with the social entrepreneurs in replication and scalability of their social enterprise models or some of their specific programmes. For example, the Government of India adopted Kaushlendra Kumar's (founder of a for-profit social enterprise) *Samriddhii* model in the form of the 'National Vegetable Initiative' (NVI) project and replicating it in many other states of India for benefiting more vegetable growers.

Similarly, by implementing Dr. Devi Shetty's brainchild *Yashasvini*, a micro-health insurance programme, the Government of Karnataka had been benefiting a large number of farmers and other poor people to access quality healthcare services. The governments of other states were also in discussion with Dr. Devi Shetty to initiate similar micro-health insurance schemes in their own respective states. Founders of charitable social enterprises (Dr. Armida Fernandez, Shaheen Mistri and Rajendra Joshi) and partly funded charitable social enterprise (Geeta Ramanujam) and self-sustainable NGO (Irfan Alam) had also been working in partnerships with the governments to maximise their social impact. It has been observed that owing to the sharing of a similar social vision, governments played an important role in replication and scalability of the social enterprises' models and helped the social entrepreneurs in many ways to maximise their social value creation or social impacts.

This finding is supported by Shockley and Frank (2011) who recognised that large-scale social change varies by the origination of the social entrepreneurship and the state capacity of the governmental context in which it occurs. There are many functions of the government in achieving large-scale social change, such as originator and implementer, bungler, imitator and adopter, or adapter and promoter. They also found that even governments with relatively low levels of state performed vital functions in social entrepreneurship. These studies showed the government plays a major role in the process of social value creation. However, it has been observed that most of the depictions of social enterprises underemphasise the role of government in supporting their mission and operation (Herranz et al. 2011).

Apart from focusing on replication and scalability, it has also been observed that many social entrepreneurs, such as Rajendra Joshi, Irfan Alam, Kaushlendra Kumar

and Shaheen Mistri identified new opportunities to maximise their social impact and benefit many more people. For example, Irfan Alam started a for-profit venture for manufacturing cycle rickshaws, in which he made his rickshaw pullers co-owners of the company. He also found opportunities in carbon trading to help the rickshaw pullers to earn a little more and providing low-cost shelter for the poor in the unorganised sector. Similarly, Kaushlendra Kumar was thinking of starting another processing unit for fruits in addition to vegetables. He started a for-profit venture for manufacturing his innovative product 'Samriddhii AC Cart' for vending vegetables. Their newly identified opportunities in for-profit social businesses provided them tools to pass on the benefits to more people and at the same time earn more money for themselves. Some of social entrepreneurs identified new opportunities again in the not-for-profit sector to maximise social value creation. For example, Shaheen Mistri (founder of an NGO) started 'Teach For India'(an NGO) to prepare more leaders, who would create social change on a larger scale. Rajendra Joshi (founder of a charitable NGO) started 'Empower Pragati' (a for-profit social business) to regularise and provide benefits to domestic workers. Thus, it was found that irrespective of the legal form of existing social enterprises, some social entrepreneurs identified new opportunities and started not-for-profit social enterprises, while some others identified new opportunities in the for-profit sector. Although I have not explored these details in the present study, this difference exists, but it surely presents an interesting area to explore for future studies.

It is important to note that while replicating and scaling their models in other areas, all the social entrepreneurs focused on maintaining and even improving the quality and standard of their services. They never compromised with the quality of their services.

9.11   Measurement of Social Value

The study showed that despite the emphasis on solving social problems and creating social value for the beneficiaries, most social entrepreneurs did not focus much on measuring social impact, social values or social change created through their social enterprise models. They used only quantitative methods to evaluate their social value or social impact (Rajendra Joshi, Dr. Armida Fernandez, Irfan Alam, Dr. Devi Shetty and Kaushlendra Kumar). They set goals and then assessed the performance in terms of achieved target mostly in numbers. For example, NH assessed their impacts in terms of number of charitable surgeries done in a year, the number of subsidised surgeries done in a year, etc. Thus, not only the for-profit social enterprises, but also most of the social enterprises of not-for-profit sector also did not make any serious attempt to capture it qualitatively or use the proper matrix to do so. However, some of them had now started to think of measuring the social impact such as Dr. Armida Fernandez and Irfan Alam.

Only a few social entrepreneurs (Shaheen Mistri, Geeta Ramanujam, Dr. Ashwin Naik and Dr. Brij Kothari) were using both the quantitative and qualitative methods

to evaluate their social impact on the beneficiaries. For example, Shaheen Mistri's
Akanksha had a matrix to measure the impact. It had been using both quantitative
and qualitative methods to capture the social impact. This finding supported
Ormiston and Seymour (2011), who studied value creation in social
entrepreneurship. They mentioned that the paradox suggests that social entrepre-
neurs are failing to evaluate their social impact with sufficient regard to their social
mission. On the other hand, it has been emphasised that social enterprises should be
able to use ways of understanding and measuring social value to improve their own
business performance, to influence customers and meet customers' requirements
and to innovate and create new goods and services (Nicholls 2007).

The above discussion reflected that after identifying social problems as their
'opportunities' and mobilising resources, they used their capabilities to innovate
product and process, build partnerships and collaborations to access more resources
available to them, manage difficulties, replicate and scale their models in other areas
and identify new opportunities to maximise social impact for the beneficiaries in the
process of social value creation. Thus, it has emerged from the study that using their
capabilities, social entrepreneurs identified opportunity, mobilised resources and
exploited opportunities to solve social problems and create social value. This
finding leads to the following proposition:

Proposition 7 *The process of social value creation involves interplay of the
dimensions of capabilities of the social entrepreneur, opportunity recognition and
resourcefulness.*

The interplay of the dimensions of opportunity recognition, resourcefulness and
capabilities of social entrepreneur in the process of social value creation is shown in
Fig. 9.1. It shows that after identifying opportunities and mobilising resources, all
the founders started the operation of their social enterprises at the ground level.
They all started with certain common abilities such as confidence in their deeply
believed ideas, readiness to fail and willingness to learn. It was also observed that in
terms of resources, beneficiaries and location, all of them had started in a small way.
In this regard, it was found that moving away from charitable towards for-profit
social enterprises started and grew in a much more planned and organised way.

Figure 9.1 shows that when they started the operation of their social enterprises,
their first or highest priority was that of gaining the trust of the beneficiaries or
customers, and for this, they used use different approaches depending on the kind of
work they were involved in and the kind of beneficiaries they served. It was found
that the reputation built through previous work/job and the winning of awards and
recognition helped a lot in this regard. In the process of social value creation, they
faced various difficulties, but they all loved exciting and challenging jobs and,
therefore, worked extremely hard in this process. They learnt through various
sources throughout the process and enhanced their knowledge, skills and confi-
dence. They did a range of product and/or process innovation, formed multiple
within and cross-sector partnerships (NGOs, government and private), collabora-
tions and alliances. All of these resulted in the growth of their social enterprises in
terms of resources, beneficiaries and locations. Figure 9.1 shows that when their
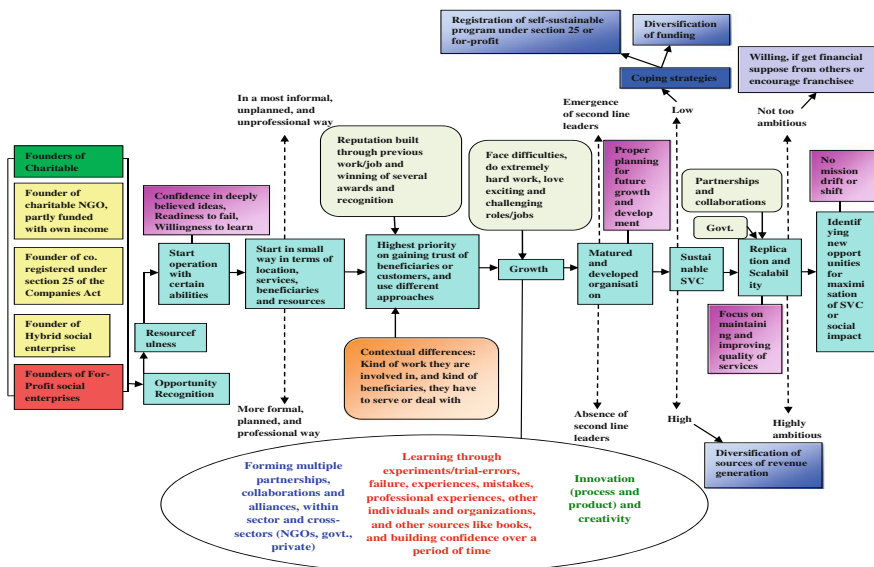
Fig. 9.1 Interplay of all the dimensions in the process of social value creation

social enterprises had developed and entered the maturity stage, all the founders started to engage in proper planning for future growth and development. At this stage, the emergence of second-line leaders was clearly seen in charitable social enterprises and in partly funded social enterprises in contrast to the for-profit social enterprises. This difference is shown in Fig. 9.1.

Figure 9.1 shows that at the developed stage, founders of both charitable social enterprises and partly funded charitable social enterprises accepted that they had to struggle a lot for getting sustainable funds, though somehow they all managed to get it. It was found that they adopted a set of multiple strategies to deal with the problem of financial sustainability, and the strategy that emerged as the most important in this regard was the diversification of funding sources. One of these included registration of self-sustainable programmes as separate entities in the form of Section 25 companies. In contrast to these, the founders of Section 25 company, hybrid social enterprise and for-profit social enterprises did not face any sustainability problem. They all were self-sustainable or expecting self-sustainability soon. However, similar to the founders of charitable or partly funded charitable social enterprises, founders of hybrid and for-profit social enterprises also focused on diversification of sources of revenue generation. Figure 9.1 shows that when the social enterprises became matured, the founders of Section 25 company, hybrid and for-profit social enterprises emphasised replication and scalability of their models at different places and at different levels, such as state, national and international levels. In contrast, founders of charitable or partly funded charitable social enterprises were not found too ambitious and excited in this regard. However, they also

showed their willingness for replication and scalability of their models, if financial help was provided by others. Founders of partly funded charitable social enterprise were found to be open to the franchise model for this purpose. While replicating their models at other places and scaling up, all the founders were found to be particular about maintaining the quality of existing services and/or improving the quality of services. It was also observed that multiple within and cross-sector partnerships and collaborations helped the founders significantly in this regard, and due to the sharing of a similar vision, wider reach and resources, the government helped many social entrepreneurs in replication and scalability of their models in different locations in another states. Figure 9.1 also reflects that irrespective of the types of social enterprises, many social entrepreneurs identified even new opportunities as well as the process of social value creation for maximisation of social value creation or social impact. However, some identified opportunities in the not-for-profit sector and some in the for-profit sector. In the complete process of social value creation, they accepted that there was a danger of mission drift and mission shift, but they did not face this problem, because they all were found deeply committed and passionate about their respective social missions.

9.12 Context in the Process of Social Value Creation

In the complete process of social value creation, context played a very important role. The cases showed that all the phenomena of social entrepreneurship occurred within a context. Some of the contextual factors were common to all the cases. Three such common contextual factors have been observed across the cases, within which the phenomena of social entrepreneurship occurred. These are as follows: first, the existence of social problems or unmet socio-economic needs of the people; second, the inability or failure of government, market and non-profits to solve those problems or meet those needs; and third, a lack of resources or diminishing sources of funding around the world. This might be the reason that social entrepreneurship is considered as a response to either market failure, state failure or both, in meeting social needs (Nicholls 2006; Yujuico 2008). According to Seelos and Mair (2005, p. 241), 'The term 'social entrepreneurship' (SE) is used to refer to the rapidly growing number of organisations that have created models for efficiently catering to basic human needs that existing markets and institutions have failed to satisfy'.

These general contextual factors influenced the process of social entrepreneurship in all the cases. Martin (2004, p. 12) also mentioned that 'rather than focusing on social entrepreneurs' traits, the contextualists foreground the changing supply and demand conditions that currently reshape the social sector: increasing competition, changing funding conditions, new mental models, and greater demands'. These contextual factors influenced social entrepreneurs to adopt a particular approach to achieve their social mission. For example, because of the decreasing sources of funding worldwide, some of the social entrepreneurs chose the hybrid (Dr. Devi Shetty) or the for-profit approach (Dr. Brij Kothari) to get sustainability in

their social mission. On the other hand, even in an environment of diminishing sources of funding, some of the social entrepreneurs like Dr. Armida Fernandez and Rajendra Joshi started charitable organisations. Later, they started facing problems in getting sustainable funds due to decreased government and private funding, coupled with the proliferation of social sector organisations, which fuelled intense competition for scare funds (Wei-Skillern et al. 2007). Finally, they had to modify their approaches to get sustainable funds for achieving their social mission. Dr. Armida Fernandez was planning to start income-generating programmes also to supplement the organisation's funding. Rajendra Joshi's SAATH had registered some profit-generating programmes as separate entities under Section 25 of the Companies Act, 1956.

It has also been observed that all types of social enterprises (from non-profit sector, not-for-profit, profit sector or hybrid) emphasised on building multiples partnerships, collaborations and alliances with multiple organisations, that is with NGOs, private sector organisations and the government to leverage resources to achieve their social mission. It has emerged as an important aspect in enhancing the competence, efficiency and capability of their social enterprises to achieve their social mission within a resource-constrained environment. The divisions between the state, market and civil society are increasingly blurred as there are quasi-markets for public services, and civil society is affected by an increasingly competitive environment (Blundel et al. 2011).

The study pointed towards the need for changing approaches according to the contextual or environmental factors. Hence, there is a need for social entrepreneurs to understand the changing environment and change their approaches accordingly in the process of social value creation. Blundel et al. (2011) also emphasised the necessity of examining the effect of broader changes in economic conditions, public policies and the regulatory environment, on the operation of social enterprises. They referred to these as the external drivers affecting the growth processes and mentioned that these could come from the state, market or civil society. This might be the reason that 'rather than focusing on social entrepreneurs' traits, the contextualists foreground the changing supply and demand conditions that currently reshape the social sector: increasing competition, changing funding conditions, new mental models, and greater demands' (Martin 2004, p. 12). The study showed that these common contextual factors influenced the process of social value creation.

In addition, it is clear from the discussion on opportunity identification (Chap. 6), resource mobilisation (Chap. 7), capabilities of social entrepreneur/s (Chap. 8) and discussion on interplay of the dimension in this chapter that several specific contextual/environmental factors greatly influenced each and every stage of the process of social value creation, right from opportunity identification, resource mobilisation to value creation for the beneficiaries. The above discussion also showed that social entrepreneurs also influenced contextual factors through solving social problems and creating values for the beneficiaries to a great extent. This finding is consistent with the proposed conceptualisation of Mort et al. (2003) and Jain (2009), which states that entrepreneurial traits of social entrepreneurs did not capture the complete process of social entrepreneurship, because the environment,

within which these entrepreneurs operate, played a very important role in determining the success of their social entrepreneurial ventures. Existing entrepreneurship literature (Bjerregaard and Lauring 2012; Kalantaridi and Fletche 2012) also supported this finding. Bjerregaard and Lauring (2012) explored in their study that entrepreneurs' practices served to maintain institutional forms through social redistribution and change institutions by integrating new value conceptions and practices. They found that entrepreneurs themselves created and linked the missing parts of the ecosystem. In the context of entrepreneurship, they also argued that entrepreneurs were not only influenced by the prevailing institutions, but they also influenced (both intentionally and unintentionally) institutional change. This evidence led to the following propositions:

Proposition 8a *Context influences opportunity identification, resource mobilisation and capabilities of social entrepreneur, and subsequently influences the complete process of social value creation.*

Proposition 8b *Social value creation influences the context positively.*

Figure 9.2 shows the influence of contexts in the complete process of social value creation.

Figure 9.2 shows that contextual factors influence all three important dimensions in the process of solving social problems and creating social value, that is opportunity recognition, resourcefulness and capabilities of social entrepreneur/s. These contexts can be conducive as well as constraining for the process of social value creation.
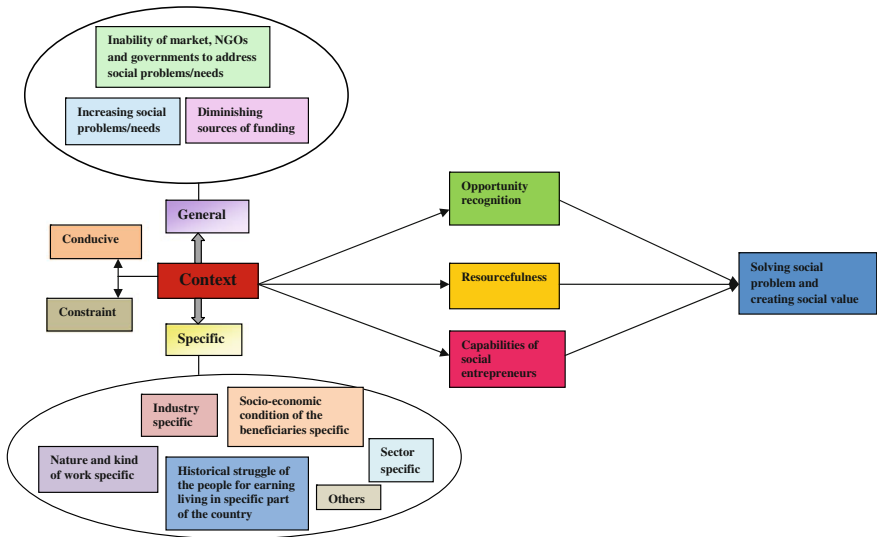

Fig. 9.2 Context influencing the process of social value creation

Two types of contexts emerged in the study, which influenced the complete process of social value creation. These can be categorised into general and specific contextual factors. 'General context' included those contextual factors which were common to all the cases. For example, all the social entrepreneurs started their approaches to solve some or the other social problem or address some social need. The study showed that they were all fully aware about the inability of the market, NGOs and government in addressing social problems/needs, in view of the increasing social problems because of increasing population and diminishing sources of funding worldwide. Therefore, they wanted to bridge this gap through developing their own innovative ideas and following their own models.

Figure 9.2 also shows that a 'specific context' included all those factors influencing the cases which were specific to the industry, the nature and kind of work, the socio-economic condition of the beneficiaries, the sector, the historical struggle of the people for earning a living in a certain part of the country, etc. Social entrepreneurs modified their approaches and strategies differently, influenced by their specific contextual factors in the process of social value creation. In this way, Fig. 9.2 shows that context played an important role in the process of social value creation. It influenced the complete process of social value creation, starting from opportunity identification, resourcefulness to creating values for the beneficiaries.

9.13 Different States in the Process of Social Value Creation

The discussion showed that social value creation was a process which reflected different states in the process of social value creation. These developmental states in the process of social value creation can be classified into four broad categories: first, opportunity identification; second, resource mobilisation; third, start-up; fourth, stable; and fifth, maturity/growth (Table 9.1). However, it is important to clarify that any clear demarcation line was not observed between these states and over-lapping between these states was quite visible.

In the first state, social entrepreneurs identified social problems as opportunities. Various contextual factors influenced opportunity identification, such as family and social background, formal education, work experiences, past life experiences and personality traits. They wanted to find a solution to the problems (solving an existing social problem) which the government, NGOs and the private sector were not able to solve. They came up with innovate ideas to solve the identified social problem. Then, they discussed their ideas with those people who were in a close circuit of their personal and professional network. Following this, they selected the appropriate legal form of the organisation for their enterprise and the location to start their operation. It was found that all the social entrepreneurs did not start their organisations as social enterprises or with the purpose of social value creation. A few started their organisations simply as any other commercial business to create

Table 9.1 Different states in the process of social value creation

States	Name of the state	Description
State I	Opportunity identification	Identification of social problem, idea development, networking, selecting legal form of organisation and location
State II	Resource mobilisation	Identifying founding team members, building team for regular operation, access to financial capital and infrastructure
State III	Start-up	Start operations of social enterprise, rapport building, attracting beneficiaries, product and process innovation, developing multiple partnerships (within and across sectors) to access resources, continuous learning
State IV	Stable	This state comes in between the start-up (third) and maturity state (fifth). In this state, stability comes in the social enterprise and it reflects its readiness to grow to become a matured organisation
State V	Maturity/growth	New funding/investment, focus on second-line leadership, sustainability, planning for future growth, developing partnerships and collaborations with individuals and organisations (within and across sectors) for expansion plans, identifying new opportunities, focusing on scalability and replication for larger social impact

economic value for themselves, yet they created social value, because the company had social mission. Thus, it showed that interest in economic value creation can also lead to social value creation.

After identifying the opportunity and developing the idea, in the second state, they identified founding team members as well as built a team for regular operation of the social enterprise. Paid employees and/or volunteers constituted the team for regular operations. They mobilised resources of others while using their social networks. The above discussion showed that their personal and professional social network played an important role in identifying founding team members, building a team for regular operations and accessing financial and other resources such as infrastructure, for starting the operation of social enterprise. Human resources emerged as the most important resource for social value creation. However, the social entrepreneurs whose model required huge infrastructure costs and financial capital believed that financial capital was the most important resource.

In the start-up state (third state), social entrepreneurs started their operations in a small way in terms of resources, services, beneficiaries and location, and with certain common abilities such as confidence, readiness to fail and willingness to learn. At the initial level, rapport building and getting the trust of the beneficiaries was their first priority. It showed that the reputation built through previous jobs or an award-winning background helped social entrepreneurs in this context. They did product and/or process innovation to enhance the social impact. They focused on expanding their network and building various within and cross-sector partnerships and collaborations with multiple organisations and individuals to access resources available to them. They also enhanced their knowledge and skills through a

continuous learning process. Over a period of time and with their experiences, their confidence too improved.

The fourth state, that is stable state, came in between the third state (start-up) and fifth state (maturity/growth). It did not provide a clear-cut differentiation from the start-up state and maturity state; rather, it reflected a mix of characteristics of these two states. In this state, an organisation reflected its readiness to grow and become a mature organisation.

In the fifth state of maturity/growth, the social entrepreneurs attracted new investments or funding by building partnerships and collaborations with individuals and organisations. They also focused on the issue of sustainability. Charitable social enterprises developed second-line leaders. Many social entrepreneurs identified new opportunities to earn money for themselves as well as to pass on the benefits to the beneficiaries. At this state, they wanted to scale up and replicate their models for larger social impact.

In the complete process of social value creation, from opportunity identification (state one) to maturity (state five), capabilities of social entrepreneurs played the most important role. However, for social entrepreneurs whose models required huge investments because of infrastructure costs, financial resource was the most important in the process of social value creation. It also showed that capabilities of social entrepreneurs were not static; rather, they increased through a continuous learning process and experiences in the process of social value creation. Apart from the capabilities of social entrepreneurs, contextual factors also influenced the complete process of social value creation. It was also found that despite their focus on social value creation, a majority of social entrepreneurs did not focus enough on the measurement of social value creation or social changes/impacts created by them.

9.14   Emerging Theory of Social Entrepreneurship

The case studies showed that social entrepreneurs first identified social problems as opportunities, then mobilised resources and exploited opportunities to solve the identified social problems, thereby creating social value for the beneficiaries. It was found that they started with their existing knowledge and skills, which got enhanced in the process of social value creation through a continuous learning process, and with their experiences over a period of time.

Social entrepreneurs perceived social value creation as creating benefits for the beneficiaries and bringing the desired social change/impact in the society, whereas beneficiaries perceived value in getting various direct benefits created by social entrepreneurs as well as indirect changes brought in their lives. The study also revealed that context played an important role in the process of social value creation.

Based on the evidence from the case studies and using a theory-building methodology, eight propositions have been developed that contribute to our
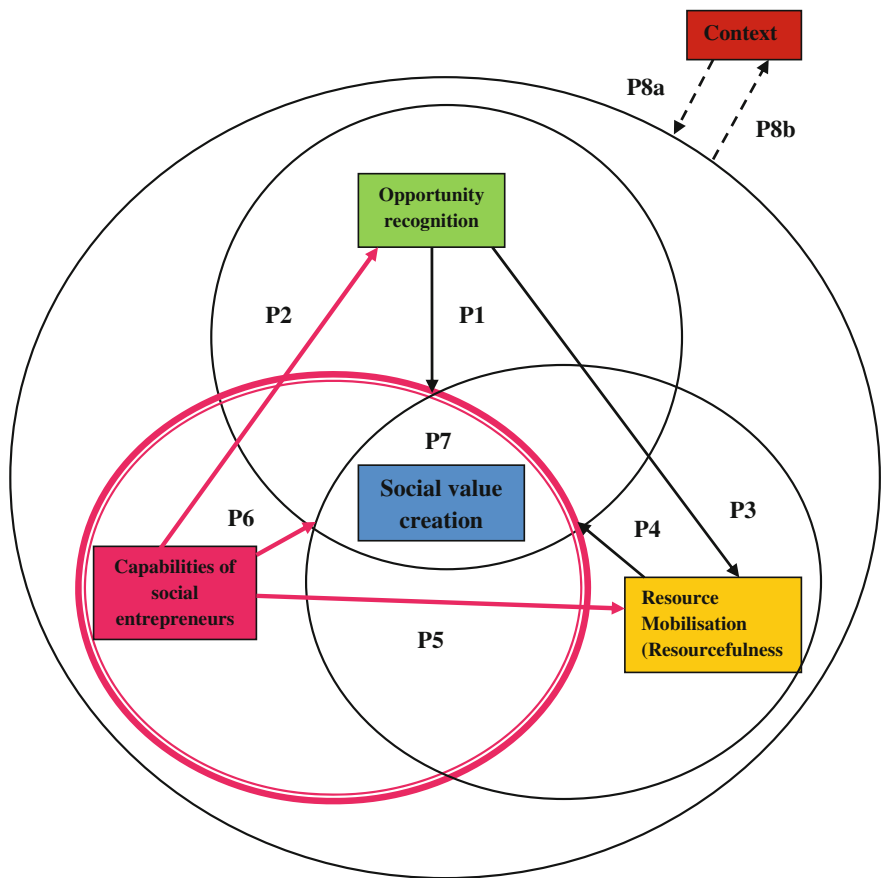
Fig. 9.3 Emerging theoretical framework of social entrepreneurship

understanding about social entrepreneurship. These propositions are synthesised in a theoretical framework (Fig. 9.3).

A core conclusion of the study is that the dimension of the capabilities of the social entrepreneur/s is the most important one in the process of social value creation. Context also has considerable significance because it also influences the complete process of social value creation.

In particular, the study found that social entrepreneurs recognised social problems as their 'opportunities' for solving those identified social problems and creating social values (P1), but they identified opportunities because of their capabilities (P2). After identifying opportunities, they mobilised resources (P3) to solve social problems and create social value (P4), but they mobilised resources using solely their capabilities only (P5). Having both types of capabilities, that is individual capabilities supporting social value creation as well as entrepreneurial skills, helped social entrepreneurs in taking decisions and action to create social

value (P6). Thus, the process of social value creation involves the interplay of various dimensions such as the capabilities of the social entrepreneur, opportunity recognition and resourcefulness (P7). Contextual factors influenced all the important dimensions, i.e. opportunity identification, resource mobilisation and capabilities of the social entrepreneur, and as a result influenced the complete process of social value creation, from start-up to maturity (P8a). By solving social problems, creating benefits for the beneficiaries, bringing positive social change or creating desired social impact in the society, social entrepreneurs positively influenced contexts as well (P8b).

Here, it is important to mention that in the present study, I found that all the cases first identified opportunities and then mobilised the resources, especially at the start-up phase. This particular finding is not in agreement with the 'effectuation theory' (Sarasvathy 2001) which indicated the possibility of entrepreneurs identifying resources first and then recognising the opportunity. Sarasvathy (2001) mentioned that mostly entrepreneurs first formed a primary set of means (within the limited means of what 'they know', that is who they are, what they know and whom they know, their own existing traits, abilities, knowledge and skills, persons known to them within their close personal and profession network), exploited contingencies. Then, they select between many possible effects on the criteria of a predetermined level of affordable loss or acceptable risk related to the given means in the process of value creation. However, most of the other findings support the 'effectuation theory'.

Majority (seven out of nine) of the social entrepreneurs (Dr. Armida Fernandez, Shaheen Mistri, Rajendra Joshi, Geeta Ramanujam, Irfan Alam, Dr. Brij Kothari and Kushalendra Kumar) also believed that capabilities of the social entrepreneur were the most important dimension, especially at the initial stage. They believed that if social entrepreneur was capable, s/he would be able to find the resources and tap them. Following this, the resources would automatically pour in. The above discussion leads to following main proposition:

Proposition 9 *Capabilities of the social entrepreneur is the most important dimension in social entrepreneurship, which influence opportunity identification, resource mobilisation, and the complete process of social value creation, from start-up to maturity.*

Only two social entrepreneurs (Dr. Devi Shetty and Dr. Ashwin Naik) expressed different views. Dr. Ashwin Naik emphasised that opportunity recognition is the most important dimension in the process of social value creation, in particular the opportunity which can be addressed in a sustainable manner. In his opinion, there are different types of opportunities or social problems and that the nature of social problem decides the approach of addressing it. On the other hand, Dr. Devi Shetty (founder of NH, a hybrid model) experienced that financial capital was freely available, but getting capital on one's terms and conditions was the greatest difficulty. Hence, he found that financial capital (resourcefulness, in particular financial resource) was the greatest constraint. Thus, it is concluded that the capabilities of social entrepreneurs is the most important dimension in social entrepreneurship. At

the same time, I also acknowledge that the requirement of huge financial capital, experience of getting finances on own terms and identifying sustainable opportunities or other experiences may shape the opinion of social entrepreneurs about the importance of particular dimensions in social entrepreneurship.

However, the theoretical framework of social entrepreneurship developed on the basis of nine case studies in the present research (Fig. 9.3) needs further testing with more cases of social entrepreneurship in future studies to check its validity for the purpose of theory building on social entrepreneurship. It would also help to throw more light on the relationship between opportunity recognition, resource mobilisation and capabilities of social entrepreneurs in social entrepreneurship.

References

Alter SK (2006) Social enterprise models and their mission and money relationships. In: Nicholls A (ed) Social entrepreneurship: new models of sustainable change. Oxford, New York, pp 205–232

Austin JA, Stevenson H, Wei-Skillern J (2006) Social and commercial entrepreneurship: same, different, or both? Entrep Theor Pract 30(1):1–22

Bandura A (1995) Exercise of personal and collective efficacy in changing societies. In: Bandura A (ed) Self-efficacy in changing societies. Cambridge, UK, pp 1–45

Bandura A (1997) Self-efficacy: the exercise of control. Freeman, New York

Bjerregaard T, Lauring J (2012) Entrepreneurship as institutional change: strategies of bridging institutional contradictions. Eur Manag Rev 9:31–43. doi:10.1111/j.1740-4762.2012.01026.x

Blundel R, Lyon F, Spence LJ (2011) Analysing the growth process in social enterprises: an historical perspective. Paper presented at the 3rd EMES international research conference on social enterprise, Roskilde (Denmark), 4–7 July. http://oro.open.ac.uk/29521/1/. Accessed 07 Feb 2013

Chandra A, Zulkieflimansyah (2003) The dynamic of technological accumulation at the microeconomic level: lessons from Indonesia—a case study. Asia Pac Manag Rev 8(3): 365–407

Dart R (2004) The legitimacy of social enterprise. Nonprofit Manag Leadersh 14(4):411–424

Dees JG (1998) The meaning of social entrepreneurship. http://www.fntc.info/files/documents/The%20meaning%20of%20Social%20Entreneurship.pdf. Accessed 20 Oct 2008

DeTienne D, Chandler G (2004) Opportunity identification and its role in the entrepreneurial classroom: a pedagogical approach and empirical test. Acad Manag Learn Educ 3(3):242–257

Dew N, Sarasvathy SD (2007) Innovations, stakeholders & entrepreneurship. J Bus Ethics 74 (3):267–283

Domenico MD, Tracey P, Haugh H (2009) The dialectic of social exchange: theorizing corporate-social enterprise collaboration. Organ Stud 30(08):887–907

Dorado S (2006) Social entrepreneurial ventures: different values so different process of creation, no? J Dev Entrep 11(4):319–343

Gartner WB (1985) A conceptual framework for describing the phenomenon of new venture creation. Acad Manag Rev 10(4):696–706

Gartner WB (1988) "Who is an entrepreneur?" is the wrong question. Entrep Theor Pract 13 (4):47–68

Herranz J, Council LR Jr, McKay B (2011) Tri-value organisation as a form of social enterprise: the case of Seattle's FareStart. Nonprofit Volunt Sect Q 40(5):829–849

Ireland RD, Hitt MA, Vaidyanath D (2002) Alliance management as a source of competitive advantage. J Manag 28(3):413–446

Jain TK (2009) Discovering social entrepreneurship. Asia-Pac. Bus Rev 5(1):21–34

Jones MB (2007) The multiple sources of mission drift. Nonprofit Volunt Sect Q 36(2):299–307

Kalantaridi C, Fletche D (2012) Entrepreneurship and institutional change: a research agenda. Entrep Reg Dev 24(3–4):199–214

Korosec RL, Berman EM (2006) Municipal support for social entrepreneurship. Public Adm Rev 66(3):448–462

Light PC (2006) Reshaping Social Entrepreneurship. Stanf Social Innov Rev 4(3):47–51. http://wagner.nyu.edu/performance/files/ReshapingSE.pdf. Accessed 02 Feb 2013

Ly P (2012) The effect of ownership in NGO's commercial ventures. Ann Public Coop Econ 83 (2):159–179

Mair J, Marti I (2006) Social entrepreneurship research: a source of explanation, prediction and delight. J World Bus 41:36–44

Martin M (2004) Surveying social entrepreneurship: toward an empirical analysis of the performance revolution in the social sector. http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1319499. Accessed 14 Feb 2012

McDonald RE (2007) An investigation of innovation in nonprofit organisations: the role of organisational mission. Nonprofit Volunt Sect Q 36(2):256–281

Mort GS, Weerawardena J, Carnegie K (2003) Social entrepreneurship: towards conceptualisation. Int J Nonprofit Volunt Sect Mark 8(1):76–88

Nicholls A (ed) (2006) Social entrepreneurship: new models of sustainable change. Oxford University Press, New York

Nicholls J (2007) Why measuring and communicating social value can help social enterprise become more competitive. In: A social enterprise think piece for the Office of the Third Sector. http://evpa.eu.com/wp-content/uploads/2010/09/Why-measuring-and-communicating-social-value-can-help-social-enterprise-become-more-competitive.pdf. Accessed 16 May 2013

Organisation of Economic Cooperation and Development (OECD) (2005) Oslo manual. Guidelines for collecting and interpreting innovation data. OECD, Paris. http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/OSLO/EN/OSLO-EN.PDF. Accessed 10 June 2012

Ormiston J, Seymour R (2011) Understanding value creation in social entrepreneurship: the importance of aligning mission, strategy and impact measurement. J Soc Entrep 2(2):125–150

Sarasvathy SD (2001) Causation and effectuation: toward a theoretical shift from economic inevitability to entrepreneurial contingency. Acad Manag Rev 26(2):243–263

Seelos C, Mair J (2005) Social entrepreneurship: creating new business models to serve the poor. Bus Horiz 48(3):241–246

Selsky JW, Parker B (2010) Platforms for cross-sector social partnerships: prospective sense making devices for social benefit. J Bus Ethics 94:21–37. doi:10.1007/s10551-011-0776-2

Shockley GE, Frank PM (2011) The functions of government in social entrepreneurship: theory and preliminary evidence. Reg Sci Policy Pract 3(3):181–198. doi:10.1111/j.1757-7802.2011.01036.x

Smith BR, Stevens CE (2010) Different types of social entrepreneurship: the role of geography and embeddedness on the measurement and scaling of social value. Entrep Reg Dev 22(6):575–598

Wei-Skillern J, Austin JE, Leonard H et al (2007) Entrepreneurship in the social sector. Sage, New Delhi

Yujuico E (2008) Connecting the dots in social entrepreneurship through the capabilities approach. Socio-Econ Rev 6:493–513

Part IV
Conclusion

Chapter 10
Summary and Conclusion

Abstract This chapter gives a brief introduction to the purpose of the study and presents its major findings. It also discusses theoretical and practical implications of the findings. Various themes and subthemes that emerged from the findings provide future scope for study in social entrepreneurship. At the end, it discusses the limitations of the study.

Social problems have been continuously increasing with the growth of population in all countries including underdeveloped, developing and developed countries. It has increased the importance of social entrepreneurs, who have already shown their abilities to solve these problems and create social value in an effective and efficient way across the globe. Therefore, studying the phenomena of social entrepreneurship has attracted the attention of scholars and academicians. However, the review of literature has shown that despite being recognised as a central issue in the field of social entrepreneurship, little effort has been made to study how social value is created in social entrepreneurship. Also, there is little clarity on the concept of 'social value' in the context of social entrepreneurship.

   Hence, the present study aimed to explore the process of social value creation in social entrepreneurship. In doing so, it sought answers to these broader research questions:

1. How does a social entrepreneur or a group of social entrepreneurs exploit opportunities and mobilise resources to create social value within a context?
2. What are the capabilities of social entrepreneurs supporting social value creation?

   Bearing in mind the fact that social entrepreneurship can occur in a range of sectors from non-profit to for-profit sectors and cross-sector partnerships, the present study focused on the main founders from three different categories of social enterprises. They are: first, non-profit charitable social enterprises; second, partly funded non-profit social enterprise, self-sustainable social enterprise from not-for-profit sector and hybrid social enterprise; and third, social enterprises from the for-profit sector. Recognising the importance of linkages between livelihood,

education and health to fight poverty, the study included founders of social enterprises from these three sectors as cases and concentrated on doing cross-case comparisons between them in relation to the process of social value creation. The study centred solely on Ashoka Fellows, since Ashoka pioneered the term social entrepreneurship during the 1980s (Grenier 2006), and their criterion of selection of social entrepreneurs is rigorous. They select only those social entrepreneurs as their fellows who have created larger social impact and brought about social change through their approach. In other words, the social entrepreneurs who are selected as Ashoka Fellows have models that are very high on social value creation.

The selected cases for this study from the health sector were Dr. Armida Fernandez (SNEHA), Dr. Devi Shetty (NH) and Dr. Ashwin Naik (Vaatsalya), Shaheen Mistri (Akanksha) and Geeta Ramanujam (Kathalaya). From the education sector, I looked at the case of Dr. Brij Kothari (BookBox) and from the livelihood sector the cases of Rajendra Joshi (SAATH), Irfan Alam (Sammaan Foundation) and Kaushlendra Kumar (KNIDS GREEN Pvt. Ltd.) were chosen. The intended target of the social value creation was set at beneficiaries and therefore, the study incorporated the views of both social entrepreneurs and beneficiaries to understand the concept of social value in a holistic manner.

This study followed the behavioural approach (Gartner 1985, 1988) to social entrepreneurship and explored the important entrepreneurial activities (opportunity identification and exploitation, resource mobilisation, i.e. resourcefulness) in the process of social value creation that is social entrepreneurship. The study gave importance to the role of social entrepreneurs, who were the founders of these ventures. The reason is that they were the individuals who first envisioned and then initiated the process of social value creation. They took decisions and subsequent actions, thereby establishing social enterprises and taking it through a period of growth to achieve their social missions. Therefore, the contribution of the capabilities of the social entrepreneur in the whole process of social value creation has also been explored. The study gave importance to the context within which social entrepreneurs operated the process of social value creation and the phenomenon of social entrepreneurship occurred. As suggested by Moroz and Hindle (2012), as a study of the process, the current study focused on understanding how change (individual and social change) or social value is created.

The main contribution of this study lies in its ability to identify behaviours that differentiate founders of three categories of social enterprises, that is first, charitable NGOs; second, partly funded sustainable NGO, self-sustainable Section 25 company of not-for-profit sector, and hybrid; and third, for-profit social enterprises, and their challenges in the process of social value creation. The reason for selecting these three categories of social enterprises was to get the maximum variation in the process of social value creation. The two extreme categories of social enterprises are charitable and for-profit, and in between there is a category, which included those social enterprises, which neither come under charitable social enterprises nor under for-profit social enterprise, but they are high on creating values for the beneficiaries.

10.1 The Concept of 'Social Value' and 'Social Value Creation'

This study showed that from the perspective of social entrepreneurs, 'social value creation' is about bringing desired social change or creating social impact (social outcomes) by solving social problems/issues. These 'social changes' or 'social outcomes' included a range of impacts such as increasing awareness, empowering beneficiaries, creating and providing socio-economic benefits to beneficiaries, impacting lives of the beneficiaries, bringing change in the perception, attitudes, behaviour and changes in norms, at various levels such as institutional, individual, community, state or international.

Beneficiaries perceived 'value' in getting for themselves various kinds of benefits created by social entrepreneurs, and in the various positive changes and impact that such benefits brought in their lives. These positive changes include both kinds of impact or changes, i.e. direct and indirect. 'Direct changes/impacts' refer to getting direct benefits, and improved capability in the form of various aspects such as increased confidence, self-respect, income and knowledge, and 'indirect impacts/changes' refer to the changes or impacts they felt in their lives as a result of getting direct benefits, such as their improved ability to fulfil the needs of their family members and improved standard of living of their family.

10.2 The Process of Social Value Creation: Creating Values for Beneficiaries

The study concluded that for the respondents becoming a social entrepreneur or starting a social enterprise was not a preplanned or well-thought-out decision. Rather, it evolved with the needs of the people that social entrepreneurs realised through their experiences over a period of time. All the social entrepreneurs identified opportunities in existing social problems and innovated ideas to solve those problems. Due to their accumulated stock of knowledge and skills acquired through formal education, work experience (professional, entrepreneurial and volunteering) and past life experiences in the different contexts, they were able to recognise them as opportunities. In this way, the study contributes to the literature on opportunity identification by extending the scope of knowledge in the context of social entrepreneurship. This is done by way of its including knowledge acquired through volunteering experiences, apart from the other sources as mentioned earlier.

The findings showed that work experience and a range of contextual factors not only enhanced knowledge and skills of social entrepreneurs, but also influenced their opportunity identification by making them aware of the existing problems in the society and the current status of those social problems. It showed that social entrepreneurship is a contextually grounded phenomenon and social entrepreneurs are embedded in their social contexts. Therefore, the 'structuration theory' (Giddens

1979, 1984) emerged as a useful lens to look at the phenomenon of social entrepreneurship as it focused on structure both as a product of and a constraint upon human action. The concept of 'embeddedness' (Mair and Marti 2006) also seems relevant for understanding social entrepreneurship as it emphasises that it is impossible to separate agent (social entrepreneur) from structure (community and society). This study found that opportunities identified by social entrepreneurs were shaped by and grounded in the contextual backgrounds of these individuals. The study found that some of the personality traits, such as rebellious and stubborn nature, love for challenges, and risk-taking, facilitated their opportunity identification. It is interesting to note that some of these qualities such as rebellious and stubborn nature, which are considered to be negative personality traits in general, positively contribute to the emergence of social entrepreneurship.

The study showed a combination of both the approaches, that is, the positivist/realist/objectivist approach and the subjectivist approach in opportunity identification. On the basis of findings, I suggest that rather than restricting to or relying on any one epistemology, it would be far more fruitful to use a combination of both to understand opportunity identification in the context of social entrepreneurship. Thus, critical realist perspective (McEvoy and Richards 2006) could be useful epistemological position to explore social entrepreneurship. It could better explain the social problems that exist in society and why some individuals are able to recognise or identify them as opportunities while others are not.

A presence of strong social values was evident in all the cases of social entrepreneurs considered in this study. These values were either developed early in life or gradually through their life experiences that pushed them for identifying opportunities in social problems. However, it is important to mention that social value creation was not the sole driver of social entrepreneurship in all cases. In many cases, the blended value creation (social and economic value creation), or in some cases, solely economic value creation, drove the process of social value creation. It showed that economic value creation can also drive the process of social entrepreneurship, i.e. solving social problems and creating social value for the beneficiaries. Thus, I conclude that intention, whether to create social value or economic value, does not really matter, if individuals are able to solve social problems and create social values for the beneficiaries following their models.

Since all social entrepreneurs considered in this study had different purposes, they chose different legal forms for their organisations to satisfy their purposes. Those with strong social values in early life wanted only to maximise social value creation, and to this end, they established their organisation as charitable social enterprises. Those who wanted to earn profit (whether for sustainability of their services and/or for earning a decent living) as well as get satisfaction of working for a social cause registered their organisations as for-profit social enterprises or followed a hybrid model. The study pointed to an interesting finding that despite having an interest in economic value creation, sometimes social entrepreneurs had to register their organisation under Section 25 of the Companies Act 1956 of not-for-profit sector, forced by potential investors or to attract potential investors. It was also found that those who invested a lot of time, energy and money in pursuing

higher technical or professional education, and professional career for equipping themselves with specialised knowledge and skills, preferred to start their organisations as for-profit social enterprises.

The study concludes that regional roots, familiarity with the place (by virtue of having spent a long span of time there either for professional career, getting education or any other reason) and emotional attachment with the people of these places played an important role in identifying the location for starting social entrepreneurial operations. Other important factors that played a significant role in deciding the locations were family influence, availability of beneficiaries, low cost of operations and availability of resources.

After identifying opportunities, social entrepreneurs mobilised the resources to run their social enterprises. They identified members for the founding team. They also formed a strong, capable, passionate and committed team for regular operations, comprising paid employees and volunteers. In contrast to the for-profit social enterprises, volunteers played an important role in charitable social enterprises. This was true not only at the initial stage, but also in later stages as they constituted a major part of the human resources of the organisation.

The study showed that all the social entrepreneurs considered in this study faced resource constraints, especially at the initial stages, because nobody had belief in their ideas. Hence, they first discussed their ideas with people in their close personal networks (including family members, relatives and close friends) and professional networks (including relationships developed with people while acquiring professional education or career). They then successfully persuaded people in these networks to join hands with them and provide resources. Using these networks and relationships, they were able to identify founding team members as well as members for running the regular operations. In this way, they used their intelligence, knowledge, innovation and creativity (human capital) to access resources of others and manage difficulties. The study showed that they used trust, faith, confidence and friendly approach developed in these relationships to their own advantage, i.e. for accessing different kinds of resources (human, financial and others like infrastructure and land). In persuading others to join in their social mission and motivating them to achieve it, these social entrepreneurs showed a different kind of leadership. They always believed in capacity building and growth of their team members.

It was found that in contrast to the founders of charitable social enterprises, the founders of profit-generating social enterprises possessed business and management skills (either through formal education, entrepreneurial experiences or family background). Founders of charitable social enterprises recruited specialised professionals from different backgrounds (management and fund raising) after gradual realisation of their need in the process of social value creation. The study found that a majority of the social enterprises faced attrition problems, though the reasons of attrition were different and context specific in each case. Some of these were related to the NGO sector, industry, history of struggles of the people, etc. Similarly, their recruitment and retaining strategies also differed depending on their context-specific problems. However, all the social entrepreneurs wanted to see all those qualities in

their team members which they themselves possessed. Commitment, passion, values and ability to work in a team were among the most important ones.

Regarding financial resources, the study showed that getting the first money to work on the idea was their greatest difficulty. Later as the work progressed, good work paved the way for getting more finance for the social entrepreneurs. Social entrepreneurs of the not-for-profit sector emphasised adequate funds rather than more funds, sustainable funds and timely finances.

Apart from human and financial services, infrastructure emerged as one of the other most important resources, which mainly depended on the models that social entrepreneurs followed. All those social entrepreneurs experienced difficulties getting finances on their own terms and conditions, and whose models demanded huge investments in the form of infrastructure costs or similar, and believed that financial resource is the most important for the process of social value creation. For the rest of the social entrepreneurs, human resource was the most important resource. The study found that at each stage of resource mobilisation they showed resourcefulness; that is, the social entrepreneurs did not allow the initial resource endowments to limit their options. Similar to business entrepreneurs (Stevenson and Jarillo 1990), social entrepreneurs pursued their opportunities without regard to resources controlled at that point in time. In order to achieve their respective social missions, they mobilised the resources from others as well. They acted boldly without being limited by resources currently at hand as mentioned by Dees (1998). They used their personal and professional networks to access the resources at the initial level and develop several new partnerships and collaboration within and across sectors with organisations and individuals in the process of social value creation. They further used these new networks to access resources available to them for achieving their social mission. Therefore, the perspective of 'social capital' (Lin 2001) emerged as being useful in understanding the whole process of social value creation.

The study found that all the social entrepreneurs possessed capabilities required for social value creation as well as entrepreneurial capabilities. Their capabilities required for social value creation included social value/social orientation, desire to work for a social mission, commitment and passion, self-confidence, confidence in their deeply held ideas, perseverance and hard work. Entrepreneurial capabilities consisted of knowledge and skills acquired through formal education, work experience and past life experiences, readiness to fail, willingness to learn, networking and persuasion, innovation and creativity, rebellious nature, love for challenges, risk-taking ability, ability to understand changing situations, decision-making and leadership. Once the opportunity was identified and resources mobilised, social entrepreneurs initiated the operation in a resource-constrained environment. However, they all had confidence that they could organise and execute the entire course of action to achieve their social mission. Their 'self-efficacy' (Bandura 1995, 1997) played an important role in the process of social value creation. All of them started in a small way in terms of resources, locations and services with their existing abilities (i.e. traits, and knowledge and skills). However, for-profit social

enterprises started and grew in a much more formal, planned and organised way as compared to charitable social enterprises.

In the process of social value creation, three things emerged as the most important: first, developing multiple within and cross-sector partnerships and collaborations with individuals and organisations for resource mobilisation; second, focus on innovation (process and product) and invention; and third, continuous learning through various sources, such as experiments, experiences and from other individuals. It was also found that social entrepreneurs learnt not only from their own experiences, but also from the experiences of others by observing around them. It pointed towards the importance of Bandura's concept of 'social learning' (1986) in understanding social entrepreneurship. The study showed that over a period of time social entrepreneurs enhanced their existing level of confidence as well as their knowledge and skills with their experiences and continuous learning in the process of social value creation.

The study showed that personal and professional networks not only influenced opportunity identification and resource mobilisation at the initial stage, but also influenced the whole process of social value creation. The findings showed that founders of charitable social enterprises had to struggle a lot to get sufficient and sustainable finances later. Often, they had to modify their models to satisfy the donors to get the funds, grants or donations. On the other hand, founders of self-sustainable company registered under Section 25 of the Companies Act 1956 (who never took a single penny as donation), hybrid social enterprise and for-profit social enterprises, did not face problems of sustainability. In order to deal with the issue of sustainability, charitable social enterprises adopted a combination of multiple ways and methods, such as diversifying sources of funding, making self-sustaining programmes a separate entity by registering it under Section 25 of the Companies Act 1956, etc. Similar to charitable social enterprises, founders of self-sustainable company registered under Section 25, hybrid social enterprise and for-profit social enterprises, also focused on diversifying sources of revenue generation. They believed that any idea of social value creation dependent on charity would not be sustainable and therefore, emphasised making sustainable profits using different ways. They had been creating blended values and social values as well as economic values. Due to their social and moral values, passion and deep commitment for their social mission right from the start, none of the social entrepreneurs faced the problem of mission drift or mission shift. These values were so deeply engrained that they prevented these individuals from the tensions of mission drift and mission shift.

Once the social enterprises developed and matured in comparison with what they were in the initial phases, social entrepreneurs started setting goals for the future and engaged in proper planning to achieve them. By the time charitable social enterprises reached maturity, their founders had already developed second-line leadership within the organisations and handed over all the operating responsibilities to the newly emerging leaders. One of the founders of a for-profit social enterprise expressed his concern about the absence of second-line leadership within his social enterprise. All of them said that they did not want their social enterprises

to be limited or restricted solely to the founders. They strongly believed that any social enterprise must grow beyond a person. On the contrary, this kind of second-line leadership development was not visible in profit-generating social enterprises.

The study also showed that at the stage of maturity, all the founders of self-sustainable company registered under Section 25, hybrid and for-profit social enterprises, focused on replication and scalability of their existing models for larger social impact. However, founders of charitable social enterprises or partly funded social enterprises were found not to be too ambitious in this regard. One of the possible reasons could be the resource constraints faced by them, as they displayed willingness to replicate and scale up if they would get financial help from others. One such social enterprise was open to the franchise model for replication due to resource constraints. It was also found that many social entrepreneurs, from the not-for-profit sector as well as the for-profit sector, identified new opportunities to maximise social value creation and/or to make money for themselves. It was found that despite its being at the heart of social entrepreneurship, most social entrepreneurs did not make any serious attempts at measuring the social value created by them, though they expressed the willingness to do so using both qualitative and quantitative methods and with the help of a proper matrix in the near future.

The study found that social entrepreneurs used entrepreneurship as a method of human action to solve social problems and applied and practised it for human well-being and social improvement as suggested by Sarasvathy and Venkataraman (2011). From the study, capabilities of the social entrepreneur (founder) emerged as the most important dimension in the process of social value creation. Light (2006) and Yujuico (2008) also emphasised the importance of capabilities of social entrepreneurs in social entrepreneurship. Right from identifying opportunity and resource mobilisation to creating social value for the beneficiaries, capabilities of the social entrepreneur played the most important role. The study showed that social entrepreneurs identified opportunities, mobilised resources and exploited opportunities in the process of social value creation; all by making use of their capabilities. Mitchell et al. (2007) also mentioned that the organising behaviour and decision-making of individuals are dependent on their knowledge structures, i.e. the founders' skills, capabilities, experience and personal social networks. The study found that abilities, knowledge and skills were not fixed, static or constant. Rather, social entrepreneurs enhanced their capabilities (knowledge and skills) through a continuous learning process (in the form of acquiring education, training and practical experiences), encouragement and supportive environment. Thus, the findings of the study stand in stark contrast to Dees (1998) concept that social entrepreneurs are a 'special breed of leaders'. In reality, social entrepreneurs were not found to be a 'rare breed of leaders'.

The study also does not completely reject the importance of personality traits in the process of social value creation, but argues that the success of social value creation depends much on teachable skills rather than on personality traits. This finding is supported by Light (2006), who mentioned that the available evidence from social entrepreneurs suggests that success depends less upon personality than

it does on teachable skills, such as the ability to activate the public, raise capital, negotiate results and manage the difficult transitions involved in taking an organisation from its initial start-up phase to maturity. In fact, most social entrepreneurs too believed that the capability of a social entrepreneur is the most important dimension in the process social value creation, as a capable person was able to find resources and the ways to get them. However, those social entrepreneurs, whose model involved huge investment, believed that resourcefulness, in particular mobilisation of financial resources, was the most important dimension in the process of social value creation. Similar to the capabilities of a social entrepreneur, the context also emerged as a strong dimension, which had a profound impact on the whole process of social value creation, right from identifying opportunity to creating values for the beneficiaries. Several general and specific contextual factors influenced the behaviour and approaches of social entrepreneurs.

The findings of this study have strong implications for both theory and practice. I shall now discuss each of these individually.

10.3   Theoretical Implications

As mentioned earlier, the study concluded that the most important dimension in the process of social value creation was the 'capabilities of the social entrepreneur'. The 'effectuation theory' of Sarasvathy (2001) has been used in this research to understand the role played by the capabilities of social entrepreneurs in the process of social value creation. Building on this theory, the findings showed that social entrepreneurs had confidence in their existing and potential abilities. They started with a general aspiration to work for some social cause, identified opportunities in social problems and formed a primary set of means (with limited means, that is 'who they are'—their own existing traits and abilities; 'what they know'—their own knowledge and skills; and 'whom they know'—persons known to them within their close personal and profession network), exploited opportunities, accessed resources of others through their personal and professional networks, worked innovatively, formed various within and cross-sector strategic alliances, partnerships and collaborations with individuals and organisations, continued to learn from their experiences in diverse and changing circumstances, and identified new opportunities in the process of social value creation. Thus, though major findings of the present study support Sarasvathy's 'effectuation theory' (2001); one of the findings contradicts it. The present study found that social entrepreneurs mobilised resources only after identifying opportunities, whereas the 'effectuation theory' suggests that most entrepreneurs first formed a primary set of means (limited means of what 'they know', that is who they are, what they know and whom they know), exploited the contingencies and then selected between many possible effects on the criteria of a predetermined level of affordable loss or acceptable risk related to the given means in the process of social value creation. Therefore, I suggest further

testing of this theoretical framework of social entrepreneurship, which has been developed on the basis of nine case studies in the present study, with more cases of social entrepreneurship in future studies. It would help to test the applicability and validity of this framework as well as bring more clarity to the relationship between opportunity recognition, resource mobilisation and capabilities of social entrepreneurs in social entrepreneurship. I also found in the study that the 'effectuation theory' converged some other important theories in one. Thus, the use of 'effectuation theory' as a multidisciplinary theoretical approach had greater explanatory power in studying the process of social value creation.

Following the effectuation theory in exploring social entrepreneurs' self-confidence, their confidence in their deeply believed ideas, personality traits, knowledge, skills, other abilities and continuous learning process, this study essentially explored their 'social learning' (Bandura 1986) and 'self-efficacy' (Bandura 1995, 1997). The concept of 'social learning' and 'self-efficacy' is Bandura's contribution to the social cognitive theory. 'Social learning' emphasised that individuals were capable of learning not just from their own experiences but also from the experiences of others around them (Bandura 1986). The study showed that many social entrepreneurs did product and process innovation by learning from individuals working in other sectors as well. The other concept 'Self-efficacy' is defined as 'beliefs in one's capabilities to organise and execute the courses of action required to produce given attainments' (Bandura 1997, p. 3). 'Self-efficacy' and 'self-confidence' are different but related concepts. 'Self-confidence' deals with a more holistic view of one's capabilities. 'Perceived self-efficacy' is an individual's belief that he/she can complete a specific task in a given set of circumstances. 'Self-efficacy' is a judgment based on beliefs about the personal capabilities of an individual. The development of self-efficacy is dependent on various factors: mastery experiences, vicarious experiences, verbal persuasion and psychological and affective states (Straub 2009). The study found that all the social entrepreneurs had belief in their capabilities that they would complete the entire course of actions to achieve their social goals. The study showed the possibility of developing such beliefs because of their accumulated knowledge and skills over a period of time with their past experiences in different contexts, including work experiences, that is, professional, entrepreneurial and/or volunteering.

The research showed that social entrepreneurs' opportunity recognition was influenced by contextual factors to a large extent. Opportunities were grounded in their contexts, and I conclude that it is difficult to separate social entrepreneurs from their contextual backgrounds. It reflected Mair and Marti (2006) concept of 'embeddedness', which implies that it is impossible to detach the agent (social entrepreneur) from the structure (community and society).

While the effectuation theory helped to explore opportunity identification and exploitation, it also redirected attention to the 'structuration theory' (Giddens 1979, 1984), which helped to explore the relationship between social entrepreneurs, their contexts, drivers, constraints, actions and their influence on social value creation. The present study found that social entrepreneurs and the system coevolved. The

'structuration theory' is based on the duality of structure and agency. Giddens (1984) mentioned that knowledgeable individuals (agents) create both the consciousness and the structural conditions that make their activities possible (system) through their actions. They construct the social word through their actions/activities. On the other hand, their actions are conditioned and constrained by the world that they created themselves. 'According to the notion of the duality of structure, the structural properties of social systems are both medium and outcome of the practices they recursively organise' (Giddens 1984, p. 25). Agents are neither powerless nor always free to pursue an unlimited collection of choices, rather the structure and the agency exist in a complicated, endogenously determined, continuously evolving relationship with each other. In other words, Giddens' (1979, 1984) process-oriented 'structuration theory' focuses on the structure both as a product and as a constraint upon human action. There cannot be any 'agency', without structures that shape their motives into practices, and agents create these structures. In the 'structuration theory', competent agents actively and reflexively reproduce the conditions that determine their behaviour, but they do so in a way that enables changes to occur (Nicholls and Cho 2006).

Similarly, when resource mobilisation was explored, following the 'effectuation theory', it reflected the access of resources through the use of closer personal and professional network which Lin (2001) referred to as 'social capital'. Lin (2001) mentioned that entrepreneurs make networks and develop personal and professional relationships to use them to their own advantage and get access to recourses.

In this sense, I explored that a single 'effectuation theory' is a convergence of four important theories: 'social learning' (Bandura 1986) and 'self-efficacy' (Bandura 1995, 1997) of 'social cognitive theory', 'concept of embeddedness' (Mair and Marti 2006), 'structuration theory' (Giddens 1979, 1984) and 'social capital theory' (Lin 2001). I conclude that due to a convergence of these multiple theories or perspectives, it has a greater power to explain the phenomenon of social entrepreneurship. This is my theoretical contribution towards the existing understanding of 'effectuation theory' in the context of social entrepreneurship. I suggest that scholars use the 'effectuation theory' as a multidisciplinary theoretical approach to study social entrepreneurship in future research because of its better explanatory power in the context of social entrepreneurship.

The study found that at the maturity stage, a majority of social entrepreneurs identified new opportunities to maximise their social value creation, but the present study did not delve into an in-depth exploration of such newly identified opportunities. It would be interesting to understand why some social entrepreneurs identified new opportunities in the process of social value creation, while others did not and whether any difference existed in their capabilities. Hence, for analysing these newly identified opportunities by social entrepreneurs in the process of social value creation and understanding the role of capabilities in this regard, the 'effectuation theory' may be the most appropriate approach. In this sense, future studies following a multidisciplinary approach, developed on the basis of the effectuation theory, will certainly improve our understanding of social entrepreneurship.

10.4   Practical Implications

Although the potential of social entrepreneurs in solving social problems in a sustainable manner and creating social value has been recognised around the globe, the field of social entrepreneurship is still an emerging one. This research has found that the capability of social entrepreneur is the most important dimension in the process of social value creation, which can be enhanced by learning and experiences. It has also explored a range of individual capabilities required for social value creation and entrepreneurial capabilities needed for this process. It has found that contextual/environmental factors influence the whole process of social value creation to a large extent. Considering the importance of the capability of social entrepreneur and context in social entrepreneurship, it is important to work on both the fronts, that is, developing capabilities of individuals and building an ecosystem for creating a supportive environment for the encouragement of social entrepreneurship.

It has been observed that specialised courses have been started by reputed educational institutes to promote social entrepreneurship in several countries, including India. Some institutes in India have come forward to start specialised courses on social entrepreneurship. They are working towards developing the curricula and course modules for social entrepreneurship educational programmes. Some of these institutes are: 'Tata Institute of Social Sciences' (TISS), Mumbai; 'Entrepreneurship Development of India' (EDI), Ahmedabad; 'Indian Institute of Technology' (IIT), Madras; 'Xavier Labour Relations Institute' (XLRI), Jamshedpur; 'Indian Institute of Management' (IIM), Ahmedabad; Institute of Rural Management Anand' (IRMA), Anand; and 'Xavier Institute of Management Bhubaneswar' (XIMB), Bhubaneswar. However, similar to any other emergent field, social entrepreneurship is also struggling at present. Confusion exists regarding the components to include and exclude in the syllabus of educational programmes on social entrepreneurship. Constant experiments are being undertaken. Scholars (Schlee et al. 2009; Litzky et al. 2010) also have been trying to formulate models and develop curricula for educating social entrepreneurship. Thiru (2011) in her search for a robust social enterprise curricula found that in practice social enterprise education takes vastly different forms and approaches. In this confusing situation, the findings of this research may provide guidance regarding the areas of emphasis in the courses on social entrepreneurship, thereby helping to design the best possible curricula for educating students of social entrepreneurship.

In addition to social entrepreneurship education, the findings of this study could possibly benefit social work education as well. Although social workers are considered to be thorough professionals trained to respond to world's social problems, in recent years the need to impart social entrepreneurship skills to social work students has been emphasised by the scholars (Gray et al. 2003; Germak and Singh 2010). This is due to a transformation of the welfare sector, resource constraints or funding crisis in the non-profit sector and increasing social problems. Social entrepreneurship has the ability to solve complex social problems in innovative

ways. Germak and Singh (2010) highlight the need for social workers to develop a set of competencies in social entrepreneurship. Although they mention that students of social work need to learn from social entrepreneurship about business sense, developing partnerships with private businesses or for-profit sector in changing the welfare context, there is little information available in this regard. Thus, the findings of this study may also guide the educators of social work about the skills and abilities to be developed among social work students to make them competent and capable to deal with social challenges in a more effective, entrepreneurial and innovative way. Schools of social work could focus on developing such knowledge, skills and abilities by modifying their existing curricula for the students of 'Bachelor of Social Work' (BSW) and 'Master of Social Work' (MSW) courses.

I suggest that educators focus on developing abilities, knowledge, skills and values required for social value creation, such as networking skills, social values, persuasion, entrepreneurial and management skills and innovation and creativity among students of social entrepreneurship. Business skills could be taught to the students interested in opting for social entrepreneurship as their career. The institutes of social entrepreneurship must focus on including management as one of the most important subjects in their curriculum for the students of social entrepreneurship. Knowledge of business and management would help potential, emerging social entrepreneurs in managing their social enterprises in a professional manner for when they start their social enterprises. Educators can induce some of the abilities through organising and providing separate trainings on relevant issues. In the process, they must also provide practical learning opportunities and create actual decision-making situations for these potential social entrepreneurs. Chang et al. (2014) already studied the use of income-generation projects as a pedagogic method to assess students' learning about social enterprises, and observed its positive effects. They found that students developed an understanding concerning social enterprises' diverse stakeholder environment, market needs, social enterprises' ideological foundations, resource mobilisation processes and performance measurement—both social and financial—and developed skills in reflection and self-awareness, communication, empathy and the generation of new ideas. The educators can also enhance students' confidence and motivate them towards achieving their social mission by showing their support, encouragement, trust, faith and confidence in them. By adoption of a combination of approaches by educators, their existing abilities and level of confidence could be enhanced. In addition, new abilities, knowledge and skills required for social value creation too could be induced and taught. All these measures are equally useful and applicable for the educators and students of social work.

On the other hand, building a supportive ecosystem is equally important. In India, several actors work towards solving social problems and encouraging social entrepreneurship, such as government, NGOs, funding agencies and educational institutes. The government could play an important role by providing support to social entrepreneurs in terms of various kinds of resources such as infrastructure (land, building and space), subsidies for products innovatively created by social entrepreneurs for the benefit of marginalised, disadvantaged and poor people. In

this way, social entrepreneurs could be encouraged to do more product innovations for the benefit of the society. This would also mean that the poor and the underprivileged would have access to useful high-quality products at affordable rates. The government could also provide various kinds of incentives and rewards for social entrepreneurs such as the provision of some kind of tax breaks for people engaged in social entrepreneurship could encourage more people to opt for social entrepreneurship as their career.

Although several of these actors are working towards promoting social entrepreneurship, they should not work in isolation. I suggest that each of these actors work in coordination with the others, so that an integrated platform is built. This would help to create a supportive ecosystem or an environment for promotion of social entrepreneurship.

Working on the above-discussed lines, it is possible to enhance the capabilities of individuals to be able to solve social problems and build a supportive ecosystem for the growth of social entrepreneurship in any country, especially in the underdeveloped and developing ones like India. I hope that the findings of this study would help to take further steps for the development and growth of social entrepreneurship by all; individuals interested in opting for social entrepreneurship as a career, existing social entrepreneurs, educators involved in teaching social entrepreneurship and social work to the students, the government and other actors engaged in promoting social entrepreneurship.

10.5   Future Scope of the Study

The present study provides tremendous scope for future studies. In fact, it may provide a starting point for future research aimed at analysing capabilities of social entrepreneurs in the process of social value creation in different contexts. Testing of generalisation of the propositions developed in this study provides scope for future research.

In this study, it was found that all the social entrepreneurs used innovative ideas or models to solve social problems that they identified. Even though I found this pattern in my study, it is not my claim that every social entrepreneur would necessarily innovate a new idea to solve some social problem. Rather, I suggest further exploration on this issue, to see whether a tried and tested older idea could solve a social problem, or whether social entrepreneurs always require an innovative idea to solve a social problem.

The present study only explored the capabilities of social entrepreneurs. However, the study showed that in the entire process of social value creation, social entrepreneurs had to depend on the capabilities of other individuals, team members and organisations. Thus, organisational capability emerged as an important area of study in social entrepreneurship. Infrastructure, managerial capability and development of second-line leaders might be the important aspects of exploration under organisational capability.

It was also found that though many of the social entrepreneurs identified new opportunities in the process of social value creation, some of them identified new opportunities in the not-for-profit sector, while many others identified new opportunities in the for-profit sector to maximise social as well as economic value creation. In this regard, it was observed that some of the social entrepreneurs selected same legal organisational framework as their existing ones, for their newly identified opportunities (non-profit to non-profit or for-profit to for-profit), while some others created new organisations for the newly identified opportunities under different legal framework from their existing ones (not-for-profit to for-profit or for-profit to not-for-profit). Hence, the difference in new opportunity identification in the process of social value creation provides an interesting area for exploration in future studies, which may possibly provide clarity on this issue.

A review of the literature showed that social entrepreneurs are conceptualised as 'transformational leaders' (Renko 2012), whose accomplishments create opportunities for those people who are less fortunate, and they transform the lives of poor and disadvantaged people (Alvord et al. 2004), but there is no understanding on how this leadership develops. This gap, too, provides scope for future research.

The study has shown that founders of charitable social enterprises and partly funded charitable social enterprises effectively develop second-line leaders within their organisations. This is not the case with the profit-generating social enterprises (company registered under Section 25, hybrid and for-profit). It poses the question of why a second-line leadership has not emerged in the social enterprises. I suggest further exploration of this issue.

Based on narratives of those social entrepreneurs who have spoken about risk-taking, it is concluded that they are high-risk takers. They were so committed and passionate about their social mission that they were ready to take many risks at personal and professional levels. However, this finding contradicts with the finding of Weerawardena and Mort (2006), who found that social entrepreneurs' behaviour with regard to risk is highly constrained by their primary objective of building a sustainable organisation. Due to this contradiction, I suggest further exploration of the risk-taking ability of social entrepreneurs.

This study touched the issue of measurement of social impact and found that a majority of the social entrepreneurs did not make any serious attempt to measure social value or the direct and indirect social impact created by them. However, it did not explore this issue in detail. Future studies in social entrepreneurship could focus on the measurement of social value or social impact created by social entrepreneurs on the beneficiaries.

10.6 Limitations

This research is not free from limitations. First, the study was conducted on nine specific cases from India. Therefore, more studies are required to test the generalisation of the arguments made by the study. Second, the study did not select cases

on the basis of geographical differences in their contexts. For example, opting for a selection of cases from different parts of the country based on differences in their geographical locations. Hence, the findings of this research have limitations in highlighting social entrepreneurship in geographically different contexts. It was observed that social entrepreneurship is a contextually grounded phenomenon and external factors influence it to a great extent. Had this study focused on social entrepreneurs from different geographical contexts, it might have produced different interesting findings. However, I believe that the present research would provide valuable insights into the process of social value creation in different types of social enterprises for future research in social entrepreneurship.

References

Alvord SH, Brown LD, Letts CW (2004) Social entrepreneurship and societal transformation: an exploratory study. J Appl Behav Sci 40(3):260–282

Bandura A (1986) Social foundations of thought and action: a social cognitive theory. Prentice Hall, NJ

Bandura A (1995) Exercise of personal and collective efficacy in changing societies. In: Bandura A (ed) Self-efficacy in changing societies. Cambridge, UK, pp 1–45

Bandura A (1997) Self-efficacy: the exercise of control. Freeman, New York

Chang JYC, Benamraoui A, Rieple A (2014) Stimulating learning about social entrepreneurship through income generation projects. Entrep Behav Res 20(5):417–437

Dees JG (1998) The meaning of social entrepreneurship. http://www.fntc.info/files/documents/The%20meaning%20of%20Social%20Entreneurship.pdf. Accessed 20 Oct 2008

Gartner WB (1985) A conceptual framework for describing the phenomenon of new venture creation. Acad Manag Rev 10(4):696–706

Gartner WB (1988) "Who is an entrepreneur?" is the wrong question. Entrep Theory Pract 13 (4):47–68

Germak AJ, Singh KK (2010) Social entrepreneurship: changing the way social workers do business. Adm Social Work 34:79–95

Giddens A (1979) Central problems in social theory. University of California Press, Berkeley, CA

Giddens A (1984) The constitution of society. Polity Press, Cambridge

Gray M, Healy K, Crofts P (2003) Social enterprise: is it the business of social work? Aust Soc Work 56(2):141–154

Grenier P (2006) Social entrepreneurship: agency in a globalizing world. In: Nicholls A (ed) Social entrepreneurship: new models of sustainable change. Oxford University Press, New York, pp 119–142

Light PC (2006) Reshaping Social Entrepreneurship. Stanf Soc Innov Rev 4(3):47–51. http://wagner.nyu.edu/performance/files/ReshapingSE.pdf. Accessed 02 Feb 2013

Lin N (2001) Social capital: a theory of social structure and action. Cambridge University Press, Cambridge, UK

Litzky BE, Godshalk VM, Walton-Bongers C (2010) Social entrepreneurship and community leadership: a service-learning model for management education. J Manag Educ 34(1):142–162

Mair J, Marti I (2006) Social entrepreneurship research: a source of explanation, prediction and delight. J World Bus 41:36–44

MacEvoy P, Richards D (2006) A critical realist rationale for using a combination of quantitative and qualitative methods. J Res Nurs 2(1):66–78. doi:10.1177/1744987106060192

Mitchell RK, Busenitz LW, Bird B et al (2007) The central question in entrepreneurial cognition research 2007. Entrep Theor Pract 31(1):1–27

Moroz PW, Hindle K (2012) Entrepreneurship as a process: toward harmonising multiple perspectives. Entrep Theor Pract 781–818. doi:10.1111/j.1540-6520.2011.00452.x

Nicholls A, Cho AH (2006) Social entrepreneurship: the structuration of a field. In: Nicholls A (ed) Social entrepreneurship: new models of sustainable change. Oxford University Press, New York, pp 99–118

Renko M (2012) Early challenges of nascent social entrepreneurs. Entrep Theor Pract 1–25. doi:10.1111/j.1540-6520.2012.00522.x

Sarasvathy SD (2001) Causation and effectuation: toward a theoretical shift from economic inevitability to entrepreneurial contingency. Acad Manag Rev 26(2):243–263

Sarasvathy SD, Venkataraman S (2011) Entrepreneurship as method: open questions for an entrepreneurial future. Entrep Theor Pract 35(1):113–135

Schlee RP, Curren MT, Harich KR (2009) Building a marketing curriculum to support courses in social entrepreneurship and social venture competitions. J Mark Educ 31(1):5–15

Stevenson HH, Jarillo JC (1990) A paradigm of entrepreneurship: entrepreneurial management. Strateg Manag J 11:17–27

Straub ET (2009) Understanding technology adoption: theory and future directions for informal learning. Rev Educ Res 79(2):625–649

Thiru Y (2011) Social enterprise education: new economics or a platypus? In: Lumpkin GT, Katz JA (eds) Social and sustainable entrepreneurship (advances in entrepreneurship, firm emergence and growth), vol 13. Emerald Group Publishing Limited, pp 175–200

Weerawardena J, Mort G (2006) Investigating social entrepreneurship: a multi-dimensional model. J World Bus 41:21–35

Yujuico E (2008) Connecting the dots in social entrepreneurship through the capabilities approach. Socio-Econ Rev 6:493–513

Appendix A
Description of the Beneficiaries

Case A.1 Dr. Armida Fernandez (SNEHA)

Code no.	Pseudonym	Sex	Age (year)	Background
S-R1	Kavita Vishwanath Gharat	F	20	Doing nursing course from SNEHA. Daughter of an auto driver (who earns Rs. 260 per day), unmarried, belongs to a nuclear family (five members), appeared in Class 12 examination and stays at Green Park, Sanatacruz West near Sane Guruji School
S-R2	Nityam Iyer	F	35	Member of a *Mahila Mandal*[a] of SNEHA. Born and brought up in Mumbai, married, has a 16-year-old son (student of Class 9), supportive husband, stayed with her family in Dharavi's Kumbharwada, is engaged in flower business with her husband and earns Rs. 100–1000 per day depending on the festival seasons
S-R3	Rashi Sudhakar Bhidu	F	35	A victim of domestic violence. Married, has three daughters and a son and stays with her family at Dharavi's transit camp. Her husband works in a garment unit, and she supplies tiffin to an *Anganwadi*.[b] Their total monthly income is Rs. 4000 per month approximately. Her husband is an alcoholic and beats her and her children frequently
S-R4	Savita Sumit Ghadge	F	24	A victim of domestic violence. Studied till Class 9 and works in *Anganwadi*. Married, has a daughter but stays with her parents in Matunga Labour Camp because of harassment from in-laws and husband
S-R5	Lekha	F	35	A victim of domestic violence. Born and brought up in Mumbai, married, has 4 daughters and stays with her family at Ram Mandir, Jogeshwari. She sells utensils, and her husband works with her. Her daily income varies from Rs. 150–200 to Rs. 300–500, depending on the quantity and quality of old clothes she gets. Husband is an alcoholic and beats her a lot. Her eldest daughter (16 years old) does not go to school, because she has to take care of the household responsibilities, but younger children (6, 10 and 11 years old) go to school

(continued)

Case A.1 (continued)

Code no.	Pseudonym	Sex	Age (year)	Background
S-R6	Rushali Ranjit Das	F	27	Beneficiary of maternity and neonatal care-related information provided by SNEHA. Married, a housewife and mother of a 2-year-old son. Stays with her husband and son at her parents' place in Mumbai. Husband works as a jewellery *karigar*,[c] and their monthly income is Rs. 10,000
S-R7	Sameera Sachin George	F	20	Beneficiary of maternity and neonatal care-related information provided by SNEHA. Married and a mother of a 1-year, 5-month-old son. She stays in a joint family (nine members). Husband works in HDFC Bank and her father-in-law is also employed. Their total household monthly income is Rs. 8000–10,000

[a]*Mahila Mandal* means women's group in English
[b]*Anganwadi* is a government sponsored childcare (0–6 age group) and mothercare centre in India
[c]Expert in jewellery making

Case A.2 Shaheen Mistri (Akanksha)

Code no.	Pseudonym	Sex	Age (year)	Background
A-R1	Arpana Kamble	M	13	He comes to after-school centre of Akanksha and stays with his parents and two sisters in Siddharth Nagar, a slum in Worli. His father works in a private company and earned Rs. 8000 a month. Her mother also works at the Akanksha's after-school centre as a helper
A-R2	Fiza Rakhangi	F	14	She is a student of Class 8 in a municipal school. She comes to after-school centre every day. Her father is 63 years old, and her mother is a housewife. She has two brothers (18 and 16 year old) also. She stays with her family in a *chawl*[a] in Worli
A-R3	Shailendra Pal	M	13	Regular student at Akanksha's after-school centre. He stays in Siddharth Nagar, Worli. There are seven members in his family: Shailendra, his grandmother, mother, aunt, uncle and his two cousins. His father died. His mother and aunt work in a garment factory. They earn approximately Rs. 8000 per month
A-R4	Anubhav	M	16	He is a regular student of Akanksha's after-school centre and stays in Colaba with his family. He is in Class 11 at Wilson College, Chowpatty. His father works in a press, and mother is a housemaid. He has a brother too, who is in Class 8 in the same school
A-R5	Kashish	F	14	She is a student of Class 9 in a private school at Marines Lines, Mumbai. Earlier she was in a government school. She has been coming to Akanksha's after-school centre since the past 3 years
A-R6	Sacchi	F	7	She is a student of Class 3 at a government school, adopted by Akanksha. She stays with her family at Kala Chowki, Mumbai. She has two sisters, one brother and parents in her family. Her father is a carpenter

Case A.2 (continued)

Code no.	Pseudonym	Sex	Age (year)	Background
A-R7	Sara Shaikh	F	8	She is a student of Class 4 at a public school adopted by Akanksha. She stays with her family in a chawl of Mumbai
A-R8	Chinmay Mahate	F	35	Her son studies at a government school run by Akanksha. She stays with her husband and son at Dhobi Ghat, Mumbai
A-R9	Aslam Shaikh	M	26	Alumni of Akansha's centre and works there as a sports teacher. He stays in a slum at Colaba. He is attached with Akanksha's after-school (first centre of Akanksha), since he was a small boy

[a]*Chawl* refers to a large tenement house, especially in metro cities of India

Case A.3 Rajendra Joshi (SAATH)

Code no.	Pseudonym	Sex	Age (year)	Background
SA-R1	Roshani	F	30	A widow who has two children (10-year-old son and 8-year-old daughter). Her son is in Class 4 and her daughter is in Class 2. She stays with her two children and her mothers-in-law at Sarkhej Gam. She attends *Urmila* training and has got a job. She earns Rs. 5000 per month and her mother-in-law also sells biscuits and earns Rs. 60–70 per day
SA-R2	Radha Jagdishbhai Chawda	F	21	Beneficiary of one of the SAATH's livelihood programme *Ummeed*, a training for patient care, which is similar to nursing training. A Class 9-pass girl, whose parents work as machine workers in a small factory. She stays at Salaspur Dalsukhmani *Chawl*, Ahmedabad (Gujarat), with her parents and three sisters. Their monthly household income is Rs. 6000 per month. She could not afford to study further due to financial problems at home
SA-R3	Kewal Jayantibhai Solanki	F	18	Beneficiary of one of the *Ummeed* livelihood programmes, training for patient care (similar to nursing training), of SAATH. She would appear for Class 10 examination this year. She stays in a joint family at Salaspur Dalsukhmani Chawl, Ahmedabad (Gujarat), which consists of her grandparents, parents, one younger sister and a younger brother. Her parents are casual labourers in a factory, and the total household income is Rs. 5000–6000 per month
SA-R4	Smiriti	F	29	A married woman, who was educated till Class 8, a mother of four sons. Her husband works as a casual labourer and earned Rs. 200 a day. She is with one of the livelihood training programmes (*Urmila* training for home managers) of SAATH and employed at SAATH. She earns Rs. 6000 per month

Case A.4 Dr. Devi Shetty (NH)

Code no.	Pseudonym	Sex	Age (year)	Background
NH-R1	Yaalappa Hiremani	M	47	Father of 7-year, 5-month-old son, who has a heart problem. He came from a remote village of Karnataka to NH for his treatment. He is a poor man and was a *Vajpayee Arogya Shree* card holder (a government's health insurance programme for the poor)
NH-R2	Amay Binthisamant	F	34	A mother of 1-year, 9-month-old son, who came from Kuchinasava of Malaysia to NH for her son's heart surgery. Her son had a hole in his heart. Though the facility of heart surgery was available in Malaysia, the waiting period was too long there, so she came to NH in India
NH-R3	Sajida Binte Abdullah	F	31	A mother of 3-year-old son, who came from Malaysia for his heart surgery. There was a big waiting list, and it would have taken 2 years to get her turn, so she came here to NH in Bengaluru (India)
NH-R4	Julie Hearst	F	35	A mother of a 7-month-old daughter, who came from Nigeria (Africa) for her daughter's open heart surgery, because the facility was not available in her country
NH-R5	Shiv Shambhu Kumar Dey	M	43	A patient, who was a chartered accountant in the private sector in Guwahati (Assam), came to NH for clarity because he was confused by the different diagnoses given by different doctors in Guwahati. He had faith and trust in Dr. Devi Shetty, so he came here for the clarity
NH-R6	Sati Datta	F	61	An old woman who came to NH from Bolpur, near Shanti Niketan, West Bengal, with her husband and son for treatment of her stomach and kidney ailment
NH-R7	Ramesh	M	56	A grandfather who came from Kerala for the treatment of his grandson's (2 years old) heart problem. The child was diagnosed with the heart problem when he was 4 months old. The child has been operated upon successfully at NH

Case A.5 Geeta Ramanujam (Kathalaya)

Code no.	Pseudonym	Sex	Age (year)	Background
K-R1	Aradhana	F	58	She is the owner of a well-known preschool in Mumbai. She attended a short workshop on storytelling organised by Geeta Ramanujam in Mumbai. She went to Bengaluru to attend a 10-day session on storytelling
K-R2	Prabhuti	F	43	She is married and has a small daughter. She is based in Bengaluru. She is planning to start her own preschool in Bengaluru
K-R3	Arpana	F	39	She is married and has two children. She is planning to open her preschool in Bengaluru

Case A.5 (continued)

Code no.	Pseudonym	Sex	Age (year)	Background
K-R4	Shamit Kapoor	M	33	He is a management consultant staying in Bengaluru with his wife and children. He got his education from IIT and IIM, Ahmedabad. He worked for several years in other countries too, before coming to Bengaluru. He came to Kathalaya to attend training on storytelling. He was in search of an innovative new style for corporate presentations
K-R5	Ruchi	F	35	She is married and has a daughter. She did a PhD from Jawaharlal National University, New Delhi. She stays with her family at Chandrapur, a small village in Maharashtra. She innovated a low-cost model of education and runs a school in her village. She is interested in using storytelling as a medium of teaching children in her school
K-R6	Sainath	M	43	He is a clinical psychologist, basically from Kerala, and is currently settled in Bengaluru. He wanted to use storytelling for the treatment of those patients who have psychological disorders

Case A.6 Irfan Alam (Sammaan Foundation)

Code no.	Pseudonym	Sex	Age (year)	Background
SF-R1	Chandu Raj	M	40	A rickshaw puller at Sammaan who had been pulling rickshaw even before joining Sammaan. His family is based in a village of Naubatpur district of Patna, and he stays in Patna. He is the sole earning member in the family. He is able to save Rs. 300 per day. He has two sons and a daughter, who go to schools in his native village
SF-R2	Sajjan Singh	M	42	Migrant rickshaw puller, whose family is settled in a village (has been pulling rickshaw for the past 10 years), and he stays at the rickshaw parking yard. He got his education till Class 8. His daily income is Rs. 300
SF-3	Lokpal Prasad	M	35	A rickshaw puller who stays with his wife and 4 children at Patel Nagar, Patna. His monthly income varied from Rs. 14,000–15,000
SF-R4	Md. Siddqui	M	35	A rickshaw puller, who is married and migrated to Patna from Khagaul. He stays in Patna with his wife and three children. He is illiterate and has been pulling rickshaw since the past 2 years. He earns on an average Rs. 200–300 daily
SF-R5	Suresh Kumar Chaurasia	M	51	A rickshaw puller who stays in Patna with his wife and four children, he migrated from Gaya (Bihar) to Patna for earning his livelihood

Case A.7 Dr. Ashwin Naik (Vaatsalya Healthcare)

Code no.	Pseudonym	Sex	Age (year)	Background
V-R1	Sabeen Naseeb Khan	F	22	A housewife, who is Class 12 pass. She belongs to a joint family and used to stay in a Ginnichawl (Hubli). Her husband is a cycle-shop owner. Her brother-in-law and father-in-law also work, and the total monthly income is Rs. 10,000. She came to Vaatsalya because she was pregnant and under the medication of a doctor of Vaatsalya. Her sister-in-law suggested that she comes there for her delivery
V-R2	Foorti Purohit	F	20	An unmarried girl who was doing BBA second year from a college of Hubli. She recently shifted to Hubli from Mumbai after her father's retirement. He was working as an HR manager in a private company. Their monthly family income is Rs. 20,000. She came to Vaatsalya for the treatment of typhoid. Her consultant doctor had sent her there
V-R3	Sona Pawar	F	52	Wife of a retired worker. Their monthly income was in the range of Rs. 6000–8000. They have two children who are married and settled. She came to Vaatsalya for the surgery of her leg
V-R4	Shrishti	F	55	A mother who stays with her married daughter and her family. She has private health insurance. She came to the hospital for the treatment of ear infection and her consulting doctor referred her to Vaatsalya. Her son is a superintendent in the forest department
V-R5	M.R. Kulkarni	M	60	A farmer who has five acres of banana and two acres of *Sapota*[a] (*chikoo*) plantations. He came from Gadag, approximately 55 km from Hubli. Although there were many hospitals at his place, he came to Vaatsalya in Hubli, because reputed specialists visit the hospital in Vaatsalya
V-R6	Siddhi Vinayak	M	26	A student who met with a road accident. Vaatsalya hospital was the nearest, so he came there. He had private health insurance. He stays in Hubli with his mother and father (retired from a government job)
V-R7	Suruppa Ayam Awati	M	51	A diabetic patient who visited several times for this problem. He stays in Kalmeshwar, Hubli, with his father and a sister. Their monthly income was about Rs. 6000

[a]*Sapota* (*chikoo*) is an Indian fruit.

Case A.8 Dr. Brij Kothari (BookBox)

Code no.	Pseudonym	Sex	Age (year)	Background
BB-R1	Reena Reddy	F	40	Married woman and a mother of two sons, aged 5 and 11. Stays in Pondicherry. She did Ph.D. in sociocultural anthropology from Rice University in Houston and worked at the University of Houston for about 10 years before moving to India. She continues to work with the University of Houston and teaches online there. Husband is a biochemist and works as a researcher in a cancer institute in Houston, USA. Uses BookBox products for her own kids
BB-R2	Sukanya Partibhan	F	32	Bengali woman married to a *Tamil*.[a] Mother of a 5-year-old daughter. She has been staying in Pondicherry since the age of 9. She was an ex-employee of BookBox and had been using BookBox products for making her own daughter learn French and for teaching French and Sanskrit to the students of a crash course
BB-R3	Kareena Desai	F	46	Unmarried, an inmate of the Sri Aurobindo Ashram, Pondicherry. She is basically from Gujarat, born in Mumbai and studied at the Ashram's Centre for Education, Pondicherry, since the age of five and a half years. She chose to become an inmate of the Sri Aurobindo Ashram, Pondicherry. She stayed in Pondicherry for the past 40 years. She was a KG (kinder garden) teacher at the Ashram School and taught French to older children (about 14-year-old children). She used BookBox products for teaching KG children and for teaching older children
BB-R4	Arpita Nair	F	30	A Bengali married to a *Malayalee*[b] and a mother of one-and-a-half-year-old son. She is an ex-employee of BookBox. She was born and raised in Pondicherry. She did her bachelor's degree from Aurobindo Ashram. She teaches French and Sanskrit in a school. She used products for teaching her own son

[a]Natives of Tamil Nadu, an Indian state, are usually called *Tamilians*
[b]Natives of Kerala (a state of India), who speak 'Malayalam' language, are usually called '*Malayalees*'

Case A.9 Kaushlendra Kumar (KNIDS GREEN Pvt. Ltd)

Code no.	Pseudonym	Sex	Age (year)	Background
KG-R1	Suput Chandra	M	50	A small marginal vegetable grower of Phatuha block of Bihar. He was one of the farmers who supported Kaushlendra Kumar at the initial stage. He helped him interact with other farmers of his village
KG-R2	Sarika	F	32	A woman working in the processing unit of KNIDS GREEN. She is married and has small children
KG-R3	Gopala	M	28	A vendor who used Kaushlendra's innovative product 'Samriddhii AC Cart' for selling vegetables in Patna
KG-R4	Shyam Singh	M	42	A vegetable grower from a village in Patna. He attended several training programmes organised by Kaushlendra Kumar. He used techniques learned for his own farming of vegetables. He sells his vegetables to KNIDS GREEN
KG-R5	Pyari	F	45	A vegetable vendor using 'Samriddhii AC Cart' for selling vegetables in Patna. She stays in Patna with her husband and three children, who go to schools. Her husband is a labourer
KG-R6	Kasturi Devi	F	29	A married woman who works in a processing unit and is engaged in sorting and packaging of vegetables and stays in Patna with her husband, children and in-laws. Her total household income is in the range of Rs. 12,000–15,000

Appendix B
Interview Guide for the Social Entrepreneurs (Founders)

Context and Opportunity Exploitation

- Tell me something about yourself (name, age, marital status, education, work experience, etc.) and your family background (financial condition, caste, religion, regional roots, education, work experience, etc.). Did you face any difficulties in the past? How did you overcome them? (explore contextual factor of emergence of social entrepreneur or explore the connection of these factors with the emergence of social entrepreneur in creating social value)
- How did you decide to become a social entrepreneur? (explore contextual/ motivational factor of emergence of social entrepreneur—who/what/particular experience motivated?)
- How did you get an idea about starting your social entrepreneurial venture and identifying the location? (problem/opportunity identification, collecting idea about services provided by government and market, location identification)
- Who supported your idea to become social entrepreneur and starting your social entrepreneurial venture? (difficulties faced, supporters: family/friends/others, strategy to overcome difficulties)
- How did you identify your founding team members? (process of identifying founding team members, who were they?)
- How did you acquire financial resources? (process of identifying financers. Who were they? Being introduced to financers. Who introduced you to financers?)
- Did you need resources other than human resources and financial resources for initiating your activities? (exploring other types of resources, apart from human and financial)
- How did you arrange and develop required infrastructure?
- How did you start providing your service to the people? (the process of getting first person)
- How did you attract more people (beneficiaries) towards your service? (the process of attracting new people towards the service provided by the social entrepreneurial venture)

- How did you build reputation and develop goodwill in the community? (especially in the start-up phase)
- How did you learn to start, operate and manage the social entrepreneurial venture? (How did you learn entrepreneurial functions for social mission? Who taught you?)
- What are the factors/capabilities that helped you in initiating your own social entrepreneurial venture? (explore contribution of capabilities in the process of social value creation or 'effectuation' in the process of new venture creation: their self-confidence, intention/aspiration/motivation/generalised goal/idea, values, abilities, knowledge and skills, special expertise, judgement, use of formal market research and planning to pursue goal, resourcefulness—innovation in efforts for acquiring and managing resources, e.g. formation of partnership and alliance, decision-making abilities in using contingencies/opportunities, action in different and varying circumstances/situation/context, commitment to learn from experience, participatory culture in the organisation in the process of creating social value)

Resource Mobilisation

- How did you acquire employees for your organisation? (the process of identifying and acquiring human resources, retaining employees)
- Do you face any difficulties in getting employees for your organisation? What are those difficulties and how do you manage to overcome these difficulties? (difficulties faced in convincing people to work for social purpose organisation, especially charitable or social venture of not-for-profit sector)
- Now, how do you manage finances for sustainability of your service and your social entrepreneurial venture? (exploring sources of income/funding)
- Apart from human and financial resources, which are other types of resources required for operation of your social entrepreneurial venture? How do you acquire these resources? (apart from human and financial resources, exploring other types of necessary resources and the process of acquiring them)
- Is there any difference in the importance of the resources, depending upon the developmental phase of your social entrepreneurial venture? (exploring the most important resource at different phases of development of social entrepreneurial venture—start-up, maturity, etc.).
- Do you have more than one branch? If yes, which type of resources you require there and how do you acquire there? (explore requirement of different combination of resources and the process of acquiring them for initiating its branch at different locations)

Capabilities of Social Entrepreneur

- Critique your entrepreneurial capabilities in the process of social value creation? (explore capabilities necessary to perform entrepreneurial functions such as opportunity exploitation, resourcefulness, innovativeness, operation and management of social entrepreneurial venture)

- What are the capabilities required for social value creation, other than capabilities required for performing entrepreneurial function?
- Rate all these necessary capabilities for the process of social value creation in order of their importance. (Explore: Which is the most important capability for the creation of social value?)

Interplay of All the Dimensions

- How do you combine all the dimensions in the process of creating social value? (explore the importance of opportunity exploitation, resourcefulness, innovation and capabilities of social entrepreneurs in the process of creating social value and explore the importance of these dimensions based on phase-wise development/growth of social entrepreneurial venture)

Social Value Creation

- What is your/organisation's mission? (Explore the possibility of 'mission shift' or 'mission drift'—especially for organisations of not-for-profit sector, which were sustainable with mixed income or self-sustainable and for-profit social entrepreneurial venture)
- What are the services that you are currently providing to your beneficiaries to achieve your mission?
- How do you balance between economic value creation and social value creation? (explore mission drift)
- How do you assess your performance/achievement of your objectives? (explore criteria or parameters of social value creation)
- What were the major challenges faced and strategies adopted for facing them? What are your present challenges and strategies adopted for facing them?
- What are your future plans and strategies adopted (planning) to achieve those future plans? (explore 'Causation' in established organisation/venture)
- How do you define your success/failure as social entrepreneurs and in what terms?
- Any other important aspect.

Appendix C
Interview Guide for the Beneficiaries

- Personal information of the beneficiary (name, age, sex, educational qualification, marital status, employment, monthly income, etc.)
- Family background of the beneficiary (explore social and economic status of the family. Family composition: number of family members and details about their age, number of children, adults, senior citizens, sex, education, marital status, employment, monthly income, total family income or explore different types of constraints faced in different spaces—social, economic, political, etc.—that restricted their freedom to access their basis rights/entitlement in different spaces)
- What is the current scenario of health/education/livelihood status of the people in your community/area? (explore current status of health/education/livelihood in the area and explore their deprivation and marginalisation)
- What is the status of health/education/livelihood facilities available in your area? (explore availability of various options of health/education/livelihood facilities/opportunities in the area—private, governmental and others. What are these services?)
- What is your opinion about quality, affordability and accessibility of these services provided by different sources? (explore quality, accessibility and affordability of these services for the beneficiary and his/her family as compared to each other—government, private and services provided by some other provider and explore beneficiary's satisfaction level with each type of service provided by different sources)
- How do you see services provided by 'this organisation' (name of the social entrepreneurial venture)? (explore beneficiary's opinion about services provided by the social entrepreneurial venture in comparison with government, private and services provided by other sources in terms of quality, affordability and accessibility)
- Have you benefited from the services provided by this social entrepreneurial venture (name of the social entrepreneurial venture)? If 'yes', how has it generated impact on you and your family? What changes have you experienced in your status (educational, health, employment and livelihood)? (explore direct and indirect impact on different aspects/spaces. Example, direct impact: increased income, better health status of the family members and better

educational status of the children, etc. Indirect impact: increased standard of living and income/earning because of better health and educational status or explore changes in their access to basic entitlements/rights in different spaces. Also, explore the connectivity in capability enhancement in one space to capability enhancement in different spaces). If 'no', give the reason. (explore the reason of dissatisfaction with the service)

- Do you see any weakness or drawback in this model? What are these?
- What are your suggestions to improve the services provided by this social entrepreneurial venture (name of the social entrepreneurial venture)?
- Any other relevant aspect.

Appendix D
Interview Schedule for the Social Enterprises

1. Name of the organisation:
2. Address of the organisation:

3. Year in which the organisation was legally registered:
4. Legal status of the organisation:
5. Year in which the organisation began operation:
6. Organisational mission:

7. Total number of employees:

8. Services offered by the organisation:

9. Other branch of the organisation: Yes/No

   If yes, number of branches:
   Location of branches: