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Encouraging Social Entrepreneurship



It's about taking the first steps.

by Kanyaporn Skutalakul

The ability to address the 'wicked' problems of our world relies on the great rebalancing of natural resources and our behaviour to address issues such as overpopulation, overconsumption, and, of course, climate change. The late eminent physicist Stephen Hawking predicted in 2017 that the human race has only 100 years before we need to colonise another planet. A similar prediction was made by the Malthusians in 1798, yet this world strives on. Such predictions are often made with an ignorance of the potential impact of innovation and technology. Nevertheless, the controversial question of whether the world can avert potential crises has piled pressure on future changemakers. They have been urged to keep in mind both the long-term sustainability of their solutions, as well as the economic imperative, as they craft innovative strategies.

Entrepreneurship has always been an important growth driver of the world economy; however, our world needs both kinds of entrepreneurship, social and business, to collaboratively stimulate growth in a way that includes economic and social impact so that we progress in a more balanced manner.¹ But we need social entrepreneurship efforts to be more successful. According to the 2015 Global Entrepreneurship Monitor (GEM) report, the global rate of commercial entrepreneurs' creation averaged 7.6 percent as compared to the rate of social entrepreneurs' creation

at 3.2 percent.² The question is how do we accelerate social entrepreneurial creation?

I have been in the field of social entrepreneurship for the past 10 years. Based in Thailand, I work with programme organisers to develop training programmes that would groom new social entrepreneurs and assist them during their journey. I observed that such training investments generated mixed and inconclusive impact, so I conducted a research study to better understand what drives social entrepreneurial intention (SEI) and identify more suitable interventions that could be designed to develop social entrepreneurs and help them succeed.

WHO ART THOU, SOCIAL ENTREPRENEUR?

The term 'social entrepreneur' was first introduced by sociologist Joseph Banks in 1972 to highlight the need to use managerial skills to address social problems and business challenges. Since then, social entrepreneurship has developed its own history in terms of definition and articulation. Essentially, social entrepreneurs are individuals with innovative solutions to tackle society's most pressing social problems. They focus more on the creation of social impact and change. They are seen as enabling a new model of entrepreneurship that provides products and services in support of the United Nations' Sustainable Development Goals.

There is still room to define social entrepreneurship under different contexts and with varying outcomes, but it is important to understand the fundamental differences between social entrepreneurs and commercial entrepreneurs (who are more commonly studied). First, social entrepreneurs are driven by a motivation to discover and exploit a distinct category of opportunities that contribute to social change. Second, the way they pursue opportunities might diverge from typical business approaches, considering the diversity of their stakeholders. And third, the outcomes they aim for involve both social and economic aspects.³

While the need to contribute to social change has served as an impetus for social entrepreneurship, its success rate has not been particularly encouraging, even with generous government subsidies and non-governmental organisation (NGO) support. More alarmingly, the success rate has not been improving. This triggered my concern that perhaps there has been wholesale adoption of for-profit entrepreneurship practices in social entrepreneurial creation; hence, they may overlook, or even de-emphasise, the very engine that drives SEI and commitment. Have we created a procrustean bed of sorts for this emerging field? In other words, rather than adapting the bed, will we have to chop off the travellers' legs to fit the furniture? If we extend the analogy, in the context of this article, using profit as a catalyst may actually have limited the SEI of a potential entrepreneur.

WHAT IS THE PROBLEM?

Despite its diverse definitions, social entrepreneurship is an important field of study that is rapidly undergoing a period of renewed intellectual, pragmatic, and managerial scrutiny as it develops, especially in terms of measurement. In a social entrepreneurial venture, social value is the primary objective while economic value is the by-product. Although it is possible to measure the effort spent by social entrepreneurs, the social value creation and social impact resulting from their actions are too complex to be tracked using a simple profit and loss statement that follows clearly defined Generally Accepted Accounting Principles. Since there is no uniform measure of success, it is not surprising that social impact measures vary from one social venture to another.

For aspiring social entrepreneurs, the path towards success is still unclear and guidance is limited since it is a new and emerging area of practice when compared to commercial entrepreneurship. Moreover, often due to size,

sophistication, and the localised nature of the problems these ventures are tackling, success stories of social entrepreneurs are few and far between. Hence, without a significant payoff in the future, some of these entrepreneurs give up when confronted by problems in the process of starting and operating these ventures.

The 2015 GEM report on social entrepreneurship had studied 167,793 adults in 58 economies and found that the global average creation rate of commercial start-ups was 7.6 percent, which was more than twice that of social start-ups at 3.2 percent. After digging deeper, we found that the global average creation rate of social start-ups in the operational phase had been reduced further by two-thirds to only 1.1 percent. These figures indicate that the course of social entrepreneurship may not be straightforward for social entrepreneurs at the nascent stage.

The path for social entrepreneurs is complex, difficult, and tiring, because the process requires the identification of a social mission, communication with stakeholders, the bridging of institutional voids, and the need to educate target groups to get on board. It is an uphill battle since the support infrastructure to nurture social entrepreneurs is less developed than what is available to commercial entrepreneurs. Besides, for commercial entrepreneurs, it is profit that drives behaviours, while for social entrepreneurs, it is more the intention that drives behaviour. To increase the likelihood of success for developing social entrepreneurs, we need to understand the antecedents that drive them to fight this uphill battle.

RESEARCH STUDY ON SEI

Based on the research I conducted to investigate the effects of different interventions on the relationships between SEI and its antecedents through a selected training programme in Thailand, several new antecedents of SEI were proposed. Two studies were conducted. Study 1 was a series of semi-structured interviews with past



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participants and programme organisers. Findings from these interviews led to the proposed SEI formation model, which consisted of perceived desirability, perceived feasibility, overcoming of early-stage problems, and the experience factor. Study 2 was a confirmatory study that tested the refined SEI model through surveys conducted prior to and after a Thai social entrepreneurship training programme with three types of interventions as treatments in the field experiment (skills-based learning, community-based learning, and a hybrid of the two) on the intentions of aspiring social entrepreneurs.

Three insightful findings from this research were put forth. First, overcoming the problems during the early stage of a social entrepreneurial venture is crucial in increasing the SEI of aspiring social entrepreneurs. Second, risk-taking capability is the most important predictor of SEI. When aspiring social entrepreneurs feel confident in their ability to take and overcome risk, they are much more likely to start ventures. And third, relationships with communities play a significant role in potentially accelerating the risk-taking ability of aspiring social entrepreneurs to actually engage in a social venture. In contrast, greater awareness of the problems and solutions reduced risk-taking intentions, thereby reducing SEI as well.

TAKING THE FIRST STEP

Based on my research on the formative early stage of social entrepreneurship, where SEI is the most important driver to fight this uphill battle, the following four points can be emphasised in training programmes to help aspiring social entrepreneurs as they start their journey.

1. Empathy isn't enough. Embrace risk-taking through community-based learning

Social entrepreneurship usually seems more desirable to those with a higher level of empathy. Empathy is the sensitivity to others' needs and feelings that can motivate SEI; nevertheless, not every individual is a social entrepreneur. Empathy is a necessary yet not sufficient condition to trigger the intention to become social entrepreneurs.

While participants of social entrepreneurship training programmes are often empathic in nature, it is their risk-taking ability that eventually encourages them to take the first step towards becoming social entrepreneurs. Such risk-taking ability could be enhanced through community-based learning. That is, despite the considerable risk of failure, aspiring social entrepreneurs may be willing to persevere when they experience support from the networks of communities to help them progress towards creating social impact for the greater good of the communities. Learning with the communities could also be a learning journey of what it means to become social entrepreneurs. It could be the first step of discovering a shared purpose for starting a social venture that often portrays the realisation of potential rewards beyond just the self.

Programme participants with such individual realisations mostly agreed with the research survey statement that 'the interpretations of their own social entrepreneurial value have shifted and become more personal to them as their worthwhile life mission'.

2. Find role models. If they can, then I can

Engagement of a role model could influence the intention of participants. It strengthens the confidence of aspiring social entrepreneurs to make a future career choice. Programme participants see their role models as possessors of attributes that illustrate the capabilities that are practical for them to follow, hence making it more feasible for them.

Almost every participant I interviewed during my research mentioned that having a role model was important for social entrepreneurs. Some participants stressed that His Majesty King Rama IV was their ultimate role model of a Thai social entrepreneur. Others saw their programme trainers as role models. Thus having a clearer picture of a role model in this field could help strengthen their intention, since the said role model would represent

the practicality of being able to achieve what had to be done for them to become successful social entrepreneurs. In summary, the feeling was that if my role model could do it, perhaps I could do it as well; that was the common insight from the interviews.

3. I don't have to do it alone. Seek comrades and depend on them along this journey

During the social entrepreneurship journey, the notion of a heroic entrepreneur who could conquer all by oneself is a myth. Success is more likely when there is companionship. Designing a training programme with an element of camaraderie at the nascent stage is beneficial for improving SEI. When there is camaraderie, interpersonal relationships in the organisation are characterised by friendship, team spirit, and mutual concern.⁴ It is not surprising that camaraderie is mentioned extensively in military studies. Soldiers are not just companions in combat; they refer to one another as comrades. Recent studies have expanded the concept of camaraderie beyond military applications to organisational and corporate settings. Leaders could also foster camaraderie among their teams by creating a culture that promotes teamwork, collaboration, and friendship.

Many programme participants and organisers have indicated that what got them through the early stages of their entrepreneurial journey was reuniting with the comrades from their cohorts. There appeared to be continuous communication and relationship-building among their peers in the form of site visits, event organising, joint initiatives, and in-kind/in-cash support of each another's ventures. As the protagonists of the epic romance film *Titanic* said to each other, "You jump! I jump!", they have become more than friends and are now comrades who face hardships and join hands to overcome challenges together in their social ventures.

4. Less is more. Avoid intervening too much

My research suggests that designing too many interventions, especially at the nascent stage of social entrepreneurship, may do more harm than good. Aspiring social entrepreneurs require different nurturing processes that speak to the various stages of their entrepreneurial journey. For example, at an early stage, community-based learning has a greater effect on participants' intention, while skills-based learning has been found to have hindered their risk-taking intention to become social entrepreneurs. Trainers should be wary of treatments that may have a diminishing effect. Whether

these intense focused efforts may have triggered confusion at an early stage, or more simply, wore out the participants is not known, but could be an area of future study.

AFFINITY TRUMPS FEASIBILITY

During the early stage of social entrepreneurship, perhaps affinity proceeds feasibility. The drive to set up social ventures to benefit the greater good depends considerably on the individual's ability to go beyond oneself first, and relationships with others could deepen that resolve to believe in a social mission that is meaningful to the person.



Given the goal to raise the success level of social entrepreneurial creation worldwide, this article suggests that in addition to continuous effort, different interventions can and should be designed to further develop their efficacy to accelerate the creation of social entrepreneurs. For instance, this experimental study on a trial batch could help future programme organisers design more effective, cost-efficient, and impactful solutions to enhance the incidence of social entrepreneurship. The impact evaluation of training programmes in various parts of the world is encouraged as it could help improve optimal resource allocation to support the potential recruits at various stages of their social entrepreneurial journey. [AMM](#)

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