

Chapter 55

The Role of Social Entrepreneurship in the Global Business Environments

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ABSTRACT

This chapter presents the role of social entrepreneurship (SE) in global business, thus explaining the practical and theoretical concepts of SE; the antecedents of SE in terms of cognitive desirability and feasibility of social entrepreneur, human capital of social entrepreneur, and social capital of social entrepreneur; and the significance of SE in global business. The competence of SE is powerful for modern organizations that seek to serve suppliers and customers, enhance business performance, reinforce competitiveness, and accomplish usual prosperity in global business. Thus, it is crucial for modern organizations to consider their SE applications, establish a strategic plan to review their attainable growth, and exactly respond to SE needs of customers. Applying SE will practically increase organizational performance and gain sustainable competitive advantage in global business.

INTRODUCTION

Social Entrepreneurship (SE) plays a significant role in local development in emerging economies (Yiu, Wan, Ng, Chen, & Su, 2014). SE is an increasing field of interest during the past decades (Kraus, Filser, O'Dwyer, & Shaw, 2014). SE is recognized by the use of case studies featuring prominent and innovative profiles of social enterprises and entrepreneurs (Nicolopoulou, 2014). The country prevalence rate of SE is a pattern of constructible nation-level social capital and improves the tendency of individual commercial entry (Estrin, Mickiewicz, & Stephan, 2013). Countries with higher rates of conventional entrepreneurial activity tend to have higher rates of SE activity (Lepoutre, Justo, Terjesen, & Bosma, 2013).

SE has become a global phenomenon that impacts the society by employing innovative approaches to solve social problems (Robinson, Mair, & Hockerts, 2009). SE has the potential to confront and address some of society's most challenging and complex problems arising from market and government

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inadequacies or failures (Griffiths, Gundry, & Kickul, 2013). There is considerable interest in SE (Mair & Noboa, 2006; Peredo & McLean, 2006). SE means different things to different people, creating great confusion in the literature and practice (Zahra, Rawhouser, Bhawe, Neubaum, & Hayton, 2008). SE is recognized as a collective process, and one which depends on the involvement of many different actors (Sundin, 2011).

The extant literature of SE provides a contribution to practitioners and researchers by describing a comprehensive view of the functional application of SE to appeal to different segments of SE in order to maximize the business impact of SE which is presented below.

Background

The concept of SE has been rapidly emerging in the private, public and non-profit sectors over the last few years, and interest in social entrepreneurship continues to grow (Johnson, 2000; Nicholls, 2008). Academic interest in social enterprise has progressed beyond the recent focus on definitions and context to explore their management and performance (Doherty, Haugh, & Lyon, 2014). Entrepreneurship education is prospering in business schools today (Wadhvani, 2012). The literature on the economics of entrepreneurship focuses on the role of entrepreneurship as it impacts economic growth (Block, Thurik, & Zhou, 2013). Entrepreneurship has a positive effect on success in developed countries (Sautet, 2013). The perspective of SE has progressively grown in recent years and has become a social, economic and cultural phenomenon (Pless, 2012).

The emerging literature on SE and its role in economic development and social value creation is riddled with inconsistencies, overlapping definitions, and contradictions (Jiao, 2011). SE is a new construct that bridges an important gap between business and philanthropy, which is the application of entrepreneurship theory in the social sphere to solve social problems in society such as environmental issues, the income gap and employment difficulties (Roberts & Woods, 2005). Mair and Marti (2006) considered SE as differing from other forms of entrepreneurship by giving it relatively higher priority by promoting social value and development versus capturing economic value.

ROLE OF SOCIAL ENTREPRENEURSHIP IN GLOBAL BUSINESS

This section presents the practical and theoretical concepts of SE; the antecedents of SE in terms of cognitive desirability and feasibility of social entrepreneurship, human capital of social entrepreneurship, and social capital of social entrepreneurship; and the significance of SE in global business.

Concept of Social Entrepreneurship

Entrepreneurship is described by multiple, active and developing processes, and the interplay between actors, processes, and contexts (Karatas-Ozkan, Anderson, Fayolle, Howells, & Condor, 2014). Entrepreneurship plays an increasingly significant role in knowledge based economic development (Qian & Haynes, 2014). Entrepreneurial activity tends to be greater in contexts where investment in modern knowledge is almost high (Guerrero & Urbano, 2014). Entrepreneurship can be considered as a phenomenon that stems from and is nourished by different socio-cultural environments and contexts (Vosta & Jalilvand, 2014).

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