Full Length Research Paper

Disruptive thinking in social entrepreneurship: Challenges and effectiveness

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With the emerging field of social entrepreneurship, academicians have raised several research agendas to give a unitary direction to the theoretical groundings and foundations of this concept. The current review is one such attempt to explore the definition of social entrepreneurship and its linkage to social innovation and disruptive thinking. This review aims to understand students’ perspectives and familiarity towards social entrepreneurship; its effectiveness in bringing social change; and the challenges in this field of study. By adopting a secondary research where recent literature on current topic is explored, this review provides fresh insights into the dimensions of social entrepreneurship. Research papers, books, and published materials on social enterprise, innovation, and disruption are rigorously reviewed and explored to derive valuable conclusions. It is inferred from the study that a successful social venture can make a positive impact and contribution to the society, yet a need to measure its implications has been recognized. The research on social entrepreneurship is not united and convergent and requires more in-depth investigations and concrete evidences that can assist with its practical implementation.

Key words: Social entrepreneurship, social innovation, disruptive thinking.

INTRODUCTION

Entrepreneurship is one of the most prominent and essential dimensions that drives economic growth of a nation through increased employment and revenue generation or GDP. The presence and importance of entrepreneurship is common across all developed countries, where economic development and infrastructure are facilitated through the progress of entrepreneurship (Kickul and Lyons, 2016). This importance is realized by several governments who encourage and promote the augmentation of entrepreneurship via various growth strategies, initiatives, and provision of resources to the entrepreneurs and startups. Since its inception, entrepreneurship in the economic context has been considered has business with risks and uncertainties (Groot and Dankbaar, 2014). It is of different types including small business, scalable startup, large company, and social, where social entrepreneurship is one which is unique and less explored. Social entrepreneurship differs from the other types due to the difference in its objectives as it emphasizes on not only enterprise/business development, but also the development of people, society, and

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environment (Chou, 2018). Social entrepreneurship is most often used with social work, where the difference between NGOs and social services is that social entrepreneurship includes the acquisition of profits. Social entrepreneurship initiates programs or business in a way that helps the poor or deprived section, develops the society, and also gains revenue for a thriving business (Steyaert, and Dey, 2010). It offers innovative products and services that are available to all sections in a society and also benefits the environmental causes. As stated by Thompson et al. (2017), “a high-impact social venture focuses on its mission to “change the world”. For achieving the goals of social entrepreneurship, it is imperative to infuse the enterprise with innovation.

A social venture often requires new methods and means to create inventive products and services that are sustainable and benefits all stakeholders. Innovation, in this context, is referred as social innovation, which is focused on creating services or products that are able to best serve the users and people. Social innovation is a crucial part of social entrepreneurship where it is used to analyze and develop practices that meet the dynamic market needs and solves problems of social environment (Mosher-Williams, 2006). Social entrepreneurship, a relatively less explored area that has piqued interest of several research scholars, emphasizes on conducting business while solving social problems and assisting in the development of the society towards a progressive path. Social entrepreneurship can also be radical, innovative and disruptive. This review paper covers how innovation and disruptive thinking affect social entrepreneurship. The difference in social entrepreneurship thinking with that of entrepreneurship would be explored while also focusing on how social entrepreneurs identify opportunities in a developed country and apply innovative approaches to tackle social issues. Further, the effectiveness of their methods and ideas on transforming society or bringing progressive changes will be studied. The challenges encountered by social entrepreneurs are also studied in this paper.

**Problem of the study**

Social entrepreneurship, a relatively less explored area that has piqued interest of several research scholars, emphasizes on conducting business while solving social problems and assisting in the development of the society towards a progressive path. Social entrepreneurship can also be radical, innovative and disruptive. This review paper covers how innovation and disruptive thinking affect social entrepreneurship. The difference in social entrepreneurship thinking with that of entrepreneurship would be explored while also focusing on how social entrepreneurs identify opportunities in a developed country and apply innovative approaches to tackle social issues. Further, the effectiveness of their methods and ideas on transforming society or bringing progressive changes will be studied. The challenges encountered by social entrepreneurs are also studied in this paper.

**LITERATURE REVIEW**

**Defining Social Entrepreneurship and Social Innovation**

Jilinskaya-Pandey and Wade (2019) defined social entrepreneurship as an entity that inculcates diverse and innovative business models to achieve the social and environmental aims of the enterprise. Social entrepreneurship is gaining recognition and popularity in different fields of education, support services, medical industry, and social finance. Social finance that seeks social returns on business investment is a part of social entrepreneurship. These are reasons with profits and financial impact required for the growth of social ventures. There has been an increase in the number of ventures embarked on the foundation of social causes, and the organizations and government are promoting such activities by providing those resources and financial aid (Tiwari et al., 2017). Social entrepreneurs realize the need to developing products and making profits, and also on how to give back to the society. Social entrepreneurship based on a social, environmental or community objectives has increased over time where people are more indulging into this concept. In nations such as the United States of America (USA) and Australia, 11 percent of the businesses are social enterprises (Friedman, 2016). While the growth rate is not high, it is gradually being accepted by the people and communities due to the realization of positive impacts of social ventures on the society as a whole.

Social entrepreneurs thrive for positive changes in the society; while the term “Social innovation refers to innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly diffused through organizations whose primary purposes are social” as defined by Geoff Mulgan in this study in 2006. Jilinskaya-Pandey and Wade (2019) define social entrepreneurship as an entity that inculcates diverse and innovative business models to achieve the
Social entrepreneurship: Student perspective

Understanding Social Entrepreneurship

Calling oneself as a social entrepreneur signals that the individual shares beliefs and values to those who target social and environmental aims of the enterprise. Social and environmental aims of the enterprise are derived from individual entrepreneurial intents. Therefore, social entrepreneurship is an emerging field in education, support services,mental, medical, and financial aid. Waghid and Oliver (2017) reveal from their study that education towards social entrepreneurship is an important area of research. Awareness and knowledge towards the concept of social entrepreneurship is therefore very important in affecting the perspectives of youngsters and students. According to Richomme-Huet and De Feyman (2011), there exists few education and training programs that assist students who are motivated towards social and environmental aims of the enterprise. Social entrepreneurship education is crucial for the students to launch their sustainable enterprises. However, most of the students are not familiar with the terminology and the concepts of venture development, and apart from school based literacy, education on social entrepreneurship is also another element that gives more emphasis on promoting social entrepreneurship education.

Role of Disruptive Thinking

Disruptive thinking and social innovation are key indicators of social entrepreneurship. It gives new perspective to innovation as it helps in designing strategies that can overcome some of the major business goals. It helps in bringing change by visualizing the different stages in the social innovation process. According to Caron and Raina (2018), social innovation is implemented by employing innovation to produce social value. Social entrepreneurship education is closely linked to social innovation. Cunha et al. (2015) strengthened the definition of social innovation by determining that it is a concept where “change” is the foundation. It facilitates social change by visualizing the different stages in the social innovation process.

Disruptive thinking refers to the ability to think towards radical and revolutionary ideas. Disruptive thinking is a process that aims to break from the conventional methods used in the traditional decision making processes. Disruptive thinking refers to social entrepreneurs, who think beyond the conventional methods used in decision making processes. Disruptive thinking resulted from the disruption of economies in the developing economies (Moon et al., 2016). Disruptive thinking is a useful tool in the social impact assessment process. This is because it helps to identify and change the disruptive consequences on social enterprises in the social and cultural environment. The major factors that affect the perspectives of students are capital, university knowledge and environment. The higher educational institutes must focus on bringing social changes. Waghid and Oliver (2017) reveal from this review that social entrepreneurship education is crucial for the government. The social entrepreneurship education can also be offered through the film and television programmes. The students have immediate access to film and television programmes. It is inferred from this review that social entrepreneurship education gives more emphasis on promoting the social entrepreneurship industry. It is inferred from this review that social entrepreneurship education gives more emphasis on promoting the social entrepreneurship industry. It is inferred from this review that social entrepreneurship education gives more emphasis on promoting the social entrepreneurship industry. It is inferred from this review that social entrepreneurship education gives more emphasis on promoting the social entrepreneurship industry.
Table 1. Comparison between different social entrepreneurship models.

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<tr>
<th>Model</th>
<th>Key attribute</th>
<th>Examples</th>
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</table>
| Entrepreneur Support Model     | - Provide business support to required ventures and startups.                  | - Microfinance organizations  
|                                | - Help in training the entrepreneurs on how to run businesses and what to expect from the industry. | - Consulting engineer  
|                                | - Provide services and resources to help businesses/clients enter and settle in the market. | - Technical support  
|                                | - Require lower costs.                                                          | - Supply resources in agriculture business, and handicraft sector. |
| Market Intermediary Model      | - Provide employment opportunities to people.                                  | - Helping disable people to acquire jobs in different areas including cafes etc. |
|                                | - Provide job trainings.                                                       |                                                                          |
|                                | - Sell products in open market.                                                |                                                                          |
|                                | - Increases commercial viability.                                              |                                                                          |
| Employment Model               | - Selling social services.                                                     | - Membership organizations  
|                                | - Placing a beneficial fee structure.                                          | - Clinics  
|                                | - Selling social services to those who cannot afford it.                      | - Healthcare  
|                                | - Lower production and marketing costs.                                        | - Utility programs  
|                                | - Higher operating efficiency.                                                 |                                                                          |
| Low-income Client Model        | - Provides collective services to members of a group.                         | - Bulk purchasing  
|                                | The members are key stakeholders and investors.                                | - Credit unions |
|                                | - A for-profit or non-profit business for members.                            |                                                                          |
| Cooperative Model              | - Connects client with markets.                                                | - Broker services  
|                                | - Does not sell products.                                                      | - Market research |
|                                | - Selling products to external markets fund social projects.                  | - Consulting  
|                                | - Business activities and social programs overlap.                             | - Employment training |
| Market Linkage Model           | - Selling products to fund social projects.                                    | - Counselling  
| Service Subsidization Model    | - Business activities are separate from social programs.                      | - Printing services |
| Organizational Support Model   | - Selling products to fund social projects.                                    |                                                                          |
|                                | - Business activities are separate from social programs.                      |                                                                          |

and developments (von Mutius, 2017). Disruptive thinking, creativity, and inventiveness are essential attributes in shaping social enterprises and sustainability.

According to Cieslik (2018), disruptive thinking and transformation is an essential aspect of social entrepreneurship that differentiates it from the other types of entrepreneurship. Social entrepreneurs are often viewed to be creative and open to disruptive ideas so as to bring strictness and certainty in bringing changes to the society. However, its impact on the effectiveness of the social venture is unknown due to a lack of evidence.

Challenges and Effectiveness of Social Entrepreneurship

The business models used by social entrepreneurs include social innovative and creativity that assists in bringing positive change in the society. Several social models and applications of social entrepreneurship are (Force, 2017) (Table 1):

1. The Entrepreneur Support Model: Here, the social entrepreneurs provide support to different organizations and consulting services to launch their enterprise.
2. The Market Intermediary Model: This model focuses more on marketing and selling the products or services of other businesses such as small-scale farmers.
3. The Employment Model: The social entrepreneurs provide platforms and different job opportunities to individuals for increasing employability in the society.
4. The Fee-for-Service Model: The social entrepreneurs seek charges from the customer for the socially beneficial services provided by them.
5. The Low-income Client Model: The social entrepreneurs offer services to unprivileged and low-
Social entrepreneurship, though considered to be effective in helping the society, does not have sufficient evidence to support its effectiveness in bringing social change and resolving social issues. According to a study conducted by Diochon (2013), social entrepreneurship is considered to combat poverty, and yet, there has been no positive impact of social entrepreneurship on the community’s employment and entrepreneurial capacity. Considering the challenges in this field, one challenge of social entrepreneurship is the lack of method to measure the impact made on the people or society. While the profits and revenue generation can be measured, it often becomes difficult to evaluate and precisely measure the social, environmental or sustainable impacts. Without this measurement, it becomes tedious to understand the changes required within the current business model or venture it to ensure better results. Apart from this, the other challenges faced by social entrepreneurs are difficulties in managing diversification, lack of resources, lack of funds, and poor collaboration with other authorities (Zainol et al., 2014).

**RESEARCH METHODOLOGY**

This review adopts descriptive methodology where secondary data such as books, research papers, reports and articles are explored to meet the objectives of the study. As the study aims to explore social entrepreneurship and its linkage to social innovation and disruptive innovation and to understand how students perceive social entrepreneurship, 28 articles were reviewed from 2006 to 2019. Articles were selected based on their quality and relevance to the research topic and aim. The study is subjective in nature that utilizes a phenomenon or setting to understand the topic of research. The literature exploration and synthesis are performed as a secondary data collection method by using the computer and electronic databases on web such as Google Scholar, Google Search Engine, academia database, online newsletters, existing thesis on this subject, journal of social entrepreneurship, and other peer reviewed journals. Secondary sources on social entrepreneurship, innovation and disruption are referred; which are as follows:

1. Research papers and books related to the current topic of study.
2. Websites and online published materials on social enterprises and their development.
3. Reports of government bodies and industrial agencies on social entrepreneurship.
4. Web resources on social entrepreneurship and its role in economic development.

**FINDINGS AND DISCUSSION**

Here, the major inferences are drawn from the existing body of literature so as to reach the conclusion. In this section different studies are discussed, as shown in Table 2.

**DISCUSSION**

It is evident from the review that there is strong impetus for additional research in this field. There is a need to explore and evaluate the goals and motivation of students and of social enterprises to gain a more in-depth knowledge on the area and also on the practical application of social entrepreneurship. More evidence on the inclusion of social capital in the concept of social entrepreneurship is needed, along with measurement strategies to evaluate the impact of social entrepreneurship on the society. Additional information and empirical investigations in this field will clarify the extent of social entrepreneurship and provide more insights into this field of research.

**Conclusion**

In a nutshell, social entrepreneurship is very crucial topic in today’s world. Universities should start implementing social entrepreneurship in the curriculum in order to increase the awareness on students. Academicians should research more on social entrepreneurship. Disruptive innovation and disruptive thinking are the hallmarks of technology world that if properly implemented can boost the business prospect and profit. The term helps individual or company to come up with different strategic approaches; these two terms, *disruptive innovation*, are critical elements of the evolution of technology. This can be either positive or negative. However, it is beneficial for the company to come up with rewarding models so that they can be prioritized their choice of design. Most of the social entrepreneurship business suffered significantly due to lack of creativity, lack of finance and fear of risk taking. Personalities and individual behavior can also affect business success. Most of the entrepreneurs start business for profit making but those that focus on social entrepreneurship, they have social mission. Thus, it is very crucial to understand social entrepreneurship in order to solve social issues. Table 3 demonstrates the research gaps and research problems identified from the current review.

The aforementioned research problems are few areas
<table>
<thead>
<tr>
<th>Authors</th>
<th>Objective</th>
<th>Methodology</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban and Kujinga, (2017)</td>
<td>To understand the dimensions and concept of social entrepreneurship</td>
<td>- Cross sectional&lt;br&gt;- Survey conducted in South Africa&lt;br&gt;- SEM</td>
<td>Social entrepreneurship and its growth are dependent on the regulatory environment which impacts the feasibility and desirability towards the social venture.</td>
</tr>
<tr>
<td>Kraus et al. (2014)</td>
<td>To provide knowledge on the current state of social entrepreneurship</td>
<td>Secondary data research based on research papers and books</td>
<td>Research on social entrepreneurship is at an infancy stage. The personal characteristics of social entrepreneurs play a key role, where most are observed to be highly innovative.</td>
</tr>
<tr>
<td>Erpf et al. (2019)</td>
<td>To evaluate the dimensions of social entrepreneurship</td>
<td>Quantitative approach; survey with organizational leaders</td>
<td>Social ventures provide solutions to social issues by using revolutionary innovation. The users and all stakeholders are observed to be highly satisfied to be a part of the social system defined by the entrepreneurs.</td>
</tr>
<tr>
<td>Alarifi et al. (2019)</td>
<td>To examine social entrepreneurship and the role of entrepreneurial orientation</td>
<td>- Empirical study&lt;br&gt;- Data collection from 303 social enterprises</td>
<td>Entrepreneurial orientation is revealed to positively affect social entrepreneurship. Innovativeness and proactiveness, but not risk-taking behavior, are other variables that positively affect the performances of social enterprises.</td>
</tr>
<tr>
<td>Bahena-Álvarez et al. (2019)</td>
<td>To study responsive innovation in the context of social entrepreneurship</td>
<td>- Data collection from 100 SMEs&lt;br&gt;- Cluster analysis</td>
<td>The organizations are categorized into (1) The techno-scientific organization, (2) The techno-social organization, (3) The capitalist-social organization and (4) The capitalist organization. Responsive innovation is used for leveraging the technological and scientific capabilities for solving society problems. The social impact is observed to not affect the business initiatives of the social entrepreneurs.</td>
</tr>
<tr>
<td>Richomme-Huet and De Freymann (2011)</td>
<td>To focus on the mentality of students towards social entrepreneurship</td>
<td>Data collection from 36 students participating in educational program focused on different types of entrepreneurship</td>
<td>Students are not familiar with the importance and implications of social entrepreneurship.</td>
</tr>
<tr>
<td>Obembe et al. (2014)</td>
<td>To understand students’ perspectives towards social entrepreneurship</td>
<td>- Survey with 280 students&lt;br&gt;- Logistical hierarchical regression</td>
<td>The factors that affect the perspectives of students towards social entrepreneurship are capital, university education, survival and familiarity.</td>
</tr>
<tr>
<td>Bendell and Thomas (2013)</td>
<td>To study theories of disruptive innovation in light of sustainable luxury entrepreneurs</td>
<td>Interview with 30 luxury entrepreneurs and managers.</td>
<td>Concern for sustainable development is inspiring some luxury entrepreneurs to create entirely new products. There are new interventions that change patterns of consumption, production or exchange, for a positive societal outcome.</td>
</tr>
<tr>
<td>Chou (2018)</td>
<td>To introduce the design thinking method and also to apply it into social entrepreneurship</td>
<td>- Qualitative study&lt;br&gt;- Review of literature&lt;br&gt;- Case studies</td>
<td>Design thinking emphasizes on observation, collaboration, fast learning, rapid concept prototyping, and business analysis, which influences innovation and strategy in social entrepreneurship.</td>
</tr>
</tbody>
</table>
Table 3. Research gap, problems and hypotheses.

<table>
<thead>
<tr>
<th>Research gaps</th>
<th>Suggested research problems</th>
<th>Hypotheses</th>
</tr>
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<tbody>
<tr>
<td>Why has social entrepreneurship not gained popularity in underdeveloped nations and why is its growth still in infant stage?</td>
<td>Study the growth of social entrepreneurship and provide evidence on its implications on the society.</td>
<td>- Social entrepreneurship has not gained popularity in underdeveloped nations.</td>
</tr>
<tr>
<td>There is no adequate measurement technique that is able to provide precise information on the impact of social entrepreneurship on resolving social issues.</td>
<td>Study measurement strategies and techniques that can provide information on the effectiveness of social entrepreneurship in resolving social issues and problems.</td>
<td>There is no technique that measures the impact of social entrepreneurship on social issues.</td>
</tr>
<tr>
<td>What barriers are there that affect the contribution of social entrepreneurs?</td>
<td>Explore the barriers affecting the contribution and effectiveness of social entrepreneurship.</td>
<td>There are different challenges that affect the success of social entrepreneurship.</td>
</tr>
<tr>
<td>What is the role of government in helping social entrepreneurs and young students who are motivated to launch their social venture?</td>
<td>Study government's contribution in building environment that is beneficial for social entrepreneurs.</td>
<td>Government initiatives are launched to help young social entrepreneurs in establishing businesses.</td>
</tr>
<tr>
<td>Is there a knowledge gap where students are not well versed with the concepts of social entrepreneurship?</td>
<td>Study and develop strategies to promote social entrepreneurship education.</td>
<td>Students are not aware of the key concepts of social entrepreneurship.</td>
</tr>
</tbody>
</table>

in which further research can be conducted. This review paper can assist the scholars pursuing a similar field of research who can further enrich the body of knowledge through more extensive investigations.

CONFLICT OF INTERESTS

The authors have not declared any conflict of interests.

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