

DEVELOPMENT OF SOCIAL ENTREPRENEURSHIP: CHALLENGE FOR LITHUANIAN RESEARCHERS

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Research in social sciences is developing rather quickly nowadays because technological and economic progress requires quick response to new challenges. As competitiveness in the world rises, enterprises should try to adapt, react, and change their activity, processes. Pressure of society develops new features of entrepreneurship also. The concept of sustainable development changed a lot of viewpoints in social research also. Entrepreneurship becomes not only socially responsible, but gets a new definition – social entrepreneurship. Social entrepreneurship could be identified differently. Traditional entrepreneurship is kept as economic, as “social entrepreneurship” concept from the first sight makes impression of simply socially oriented business activity. Is it only or really that? Research of social entrepreneurship is actual from several points: it is important researching new dimensions of economic phenomenon; positive economic effect of entrepreneurship makes higher the importance of its research; especially it is important for Lithuanian enterprises get involved in scientific researches for them, improving their activity.

So, a scientific problem becomes important: how social entrepreneurship could be identified and described and what role does it play. Research purpose of the article is to analyse social entrepreneurship concept, emphasizing entrepreneurship research development in Lithuania. A research object of the article is social entrepreneurship. Research tasks are: to analyse social entrepreneurship as a phenomenon, to identify its main features; to make analysis of development of entrepreneurship research in Lithuania: does it analyse social entrepreneurship. Research methods are scientific literature analysis, comparative analysis. The results of the article: the research disclosed that traditional entrepreneurship is developing and getting such new dimensions as social; the different definitions and approaches of social entrepreneurship were analysed; the most important result of for-profit social entrepreneurs is economic plus social success; in Lithuania entrepreneurship research is rather fragmented, analysing different aspects, there are rather few scientists working in this sphere; social entrepreneurship is almost not researched in Lithuanian context. It is important to develop entrepreneurship research in Lithuania, because it might help enterprises to become entrepreneurial, initiate new business start-up. New dimensions in entrepreneurship as social entrepreneurship are opportunities for enterprises become competitive in the market. The research in the article gives an answer to the question asked in the title of the article: from research viewpoint, social entrepreneurship is rather new in Lithuania.

Keywords: *entrepreneurship, traditional entrepreneurship, social entrepreneurship, entrepreneurial enterprises.*

Introduction

Entrepreneurship as a phenomenon is rather complex. Its features of expression in enterprises describe the complexity and variability of entrepreneurship (Greblikaite, 2011). The importance of phenomenon strengthens the actuality of its research. Traditional entrepreneurship can be described as innovative business with very high risk creating added value (Stevenson, Gumpert, 1985). The concept of sustainable development started new viewpoint to the world emphasizing environmental, technological, societal dimensions (Krisciunas, Rinkevicius, 2002; Ciegis, 2004; Krisciunas, Greblikaite, 2007). The role of society becomes more important in economic processes and growing in business. Society becomes a strong and responsible player in the market rising appropriate conditions to entrepreneurship also.

Entrepreneurship penetrates to all spheres of nowadays life starting from personal life, institutions and ending in regional or country development. The importance of entrepreneurship is not argued in the development of nowadays economy.

Entrepreneurship helps to make a distinguishing position in the market, increase activity competitiveness and strengthen competitiveness of an enterprise. Entrepreneurship is one of the spheres which development is supported by large amount of financial funds in the European Union. Such a support is very important for less developed countries, their enterprises, especially small and medium-sized, for entrepreneurs.

Entrepreneurship develops itself depending on changing environment, but also important role goes to competitors and social pressure. Traditional entrepreneurship develops emphasizing new dimension – social. So, such **scientific problem** becomes important: how social entrepreneurship could be identified and described and what role does it play. **Research purpose** of the article is to analyse social entrepreneurship concept, emphasizing entrepreneurship research development in Lithuania. A **research object** of the article is social entrepreneurship. **Research tasks** are:

to analyse social entrepreneurship as a phenomenon, to identify its main features; to make analysis of development of entrepreneurship research in Lithuania: does it analyse social entrepreneurship. **Research methods** are scientific literature analysis, comparative analysis. **The novelty** of the article is related to the analysis of development of entrepreneurship research in Lithuania. **The main results** of the article: the research disclosed that traditional entrepreneurship is developing and getting such new dimensions as social; the different definitions and approaches of social entrepreneurship were analysed; the most important result of for-profit social entrepreneurs is economic plus social success; in Lithuania entrepreneurship research is rather fragmented, analysing different aspects, there are rather few scientists working in this sphere; social entrepreneurship is almost not researched in Lithuanian context.

From traditional to social entrepreneurship

Starting analysing about social entrepreneurship it is important to emphasize the overall evolution of entrepreneurship research (see Figure 1). At first, scientific research were oriented impact and results of entrepreneurship. Later, researchers oriented their works to psychological and sociological approaches about entrepreneurs and entrepreneurship. After the Second World War in 1950s the scientists started again work intensively. Their research interest was on managerial viewpoint to entrepreneurship. Management questions were analysed in entrepreneurial enterprises. After 1990s such conceptions as sustainable development, knowledge-based economy became actual as well as social dimension in entrepreneurship became stronger stressed and more analysed as well as research of social entrepreneurship started after 1995..

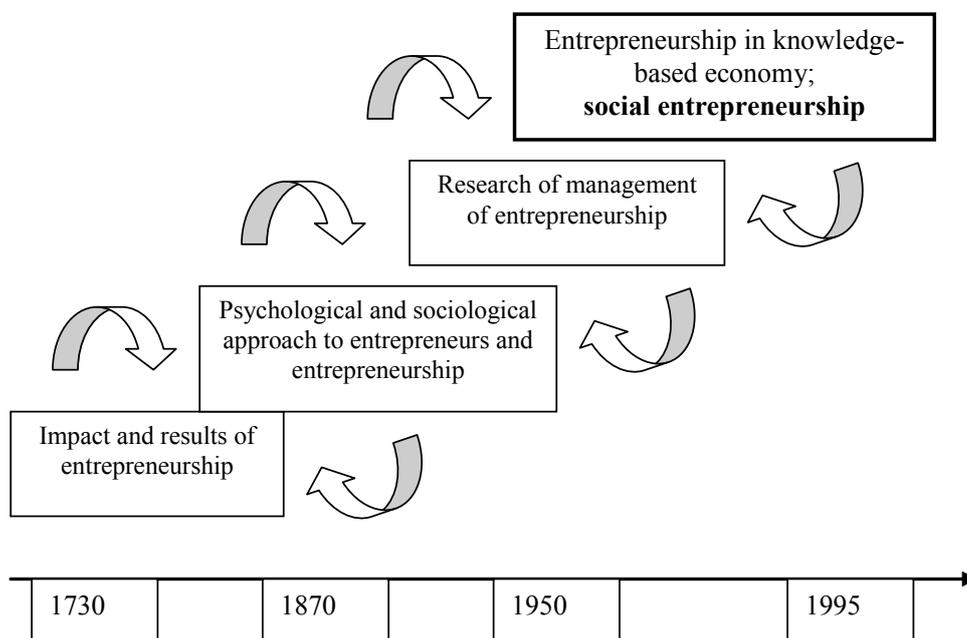


Figure 1. Development of entrepreneurship research

Social entrepreneurship might be defined sometimes a little bit differently. Schwab (2006) defines a social entrepreneur as “someone who has created and led an organization whether for profit or not, that is aimed at catalysing systematic social change through new ideas, products, services, methodologies and changes in attitude”, and the most important point is social value creation (Smith-Hunter, 2008). Korosec and Berman (2006) define social entrepreneurs as “individuals or private organizations that take the initiative to identify and address important social problem in their communities”. According Thompson (2002), social entrepreneurs might have the qualities and behaviors generally associated with business entrepreneurs, but they operate in communities and are more concerned with caring and helping, than with making money. The mission of social entrepreneurs is to help changing people’s lives solving social problems. Dees (1998) requires that defining social entrepreneurship the need for a substitute for the market discipline that works for business entrepreneurs should be reflected (Smith-Hunter, 2008).

Social entrepreneurs are change agents in the social sector and they:

- Adopt missions to create and sustain social value (not just private value);
- Recognize and relentlessly pursue new opportunities to serve that mission;
- Engage in a process of continuous innovation, adaptation and learning;
- Act boldly without being limited by resources currently in hand, and
- Exhibit heightened accountability to the constituencies served and for the outcomes created.

Seelos and Mair (2005) state that, like business entrepreneurs, social entrepreneurs recognize and act upon opportunities to improve systems, create solutions, and invent new approaches.

According Smith-Hunter (2008) social entrepreneurship organization, as opposed to not-for-profit and social organizations, has five key components that (p. 97):

- Aim either exclusively or in some prominent way to

create social value, and pursue that goal through some combination;

- Recognize and exploit opportunities to create value;
- Employ innovative techniques;
- Tolerate risk; and
- Decline to accept limitation in available resources.

The distinction between social and traditional entrepreneurship is not dichotomous, but rather more accurately conceptualized as a range from purely social to purely economic (Austin, Stevenson, and Wei-Skillern, 2006).

Boschee and McLurg (2003) contend that the social entrepreneur also differs from the traditional entrepreneur in two additional ways:

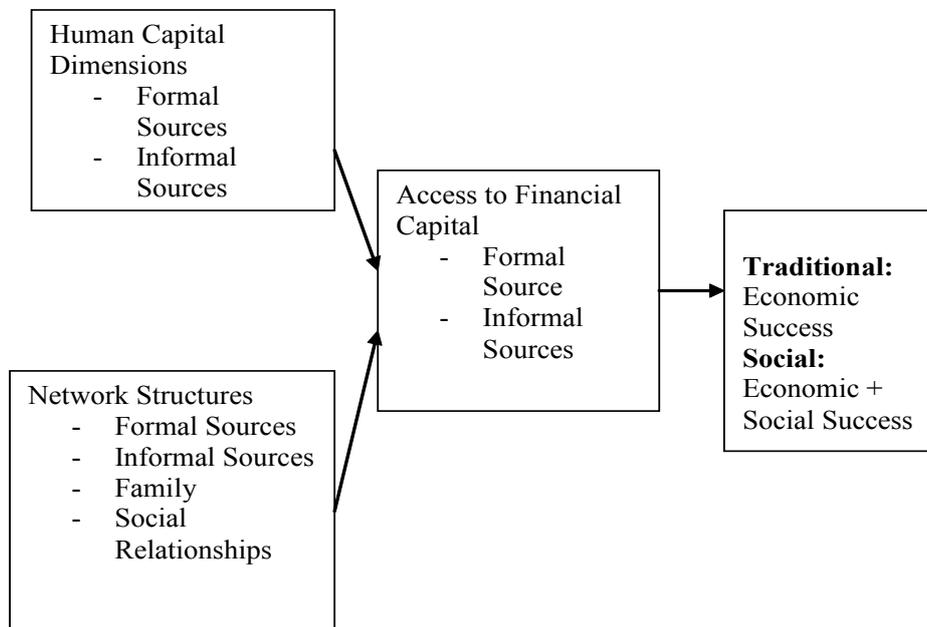
- Traditional entrepreneurs may donate money to not-for-profits, but their efforts are only indirectly attached to social problems. Social entrepreneurs differ in that their earned income strategies are tied directly to

their mission; it means they have appropriate social missions.

- Traditional entrepreneurs are ultimately measured by financial results. In contrast, social entrepreneurs are driven by a blend of financial and social returns.

Social entrepreneurship theory is still in the stage of conceptualization. There are a lot research made, but they exhibit just some paradigm but lack full development. Seeing social entrepreneurs as change agents that can create and sustain social value without government or other policy restriction is an important first step in understanding the value created by social entrepreneurs (Smith-Hunter, 2008).

According Smith-Hunter (2008) social entrepreneurs differ from traditional in one essential viewpoint – the outcome of their activity. Success of traditional entrepreneurs is economic. Social entrepreneurs might reach double success – economic and social (see Figure 2).



Source. Smith-Hunter, 2008, p. 107.

Figure 2. Model of entrepreneurial success (traditional and social entrepreneurs)

2009). Collaborative relationships to finance and operate programs that pursue their social mission have given rise to a variety of social ventures (Dorado, 2006).

Martin and Osberg (2007) developed such a definition of social entrepreneurship: social entrepreneurship is the: 1) identification a stable yet unjust equilibrium which the excludes, marginalizes or causes suffering to a group which lacks the means to transform the equilibrium; 2) identification of an opportunity and developing a new social value proposition to challenge the equilibrium, and 3) forging, a new, stable equilibrium to alleviate the suffering of the targeted group through imitation and creation of a stable ecosystem around the new equilibrium to ensure a better future for the group and society. Such definition explicitly defines the multiple functions of social entrepreneurship.

Zahra et al (2009) summing various assumptions on social entrepreneurship state that social entrepreneurship encompasses the activities and processes undertaken to

discover, define, and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner (p. 522).

In Table 1 some dimensions of entrepreneurship could be seen. They depend on geographic scope and mission. Profitability “goes in” definition of social entrepreneurs: domestic as well as international.

Summarizing the analysis of research works on social entrepreneurship it could be said that research are developing and going deeper as the research object develops itself. The most of research works is in conception and paradigms level, but crystallization process of conception is developing.

Development of entrepreneurship research in Lithuania – from traditional entrepreneurship to ...?

Entrepreneurship research is rather new in Lithuania. Management and business science has only twenty years of

Table 1. Dimension of for-profit entrepreneurship: commercial-social and domestic-international

Mission primacy	Geographic scope	
	Domestic	International
<i>Commercial</i>	All commercial transactions occur within the borders of one country. Success measured primarily by profitability of the firm.	Some portion of the commercial transactions occurs between at least two countries. Success measured primarily by the profitability of the firm.
<i>Social</i>	All commercial transactions occur within the borders of one country. Mission to alleviate a social and/or environmental challenge – considered above or at parity with profit-ability of the firm.	Some portion of the commercial transaction occurs between at least two countries. Mission to alleviate a social and/or environmental challenge – considered above or at parity with profitability of the firm.

Source. Marshall, 2011, p. 185.

real practice after Lithuania became independent country. Entrepreneurship research is based on foreign scientific works. But there are some works analysing important questions of entrepreneurship.

Lydeka (1996, 2000, 2001, 2003) concentrated his research in capabilities of entrepreneur. According Lydeka entrepreneur can be a person, who has necessary capabilities for innovative thinking and active actions. Important abilities could be identified such as intuition, riskiness, carrier seeking, adventurer, reaction, self-trust, willingness to live “wide”. As capabilities for entrepreneur could be identified knowledge and practical experience.

Jucevicius (1998) analysed entrepreneurial organizations, dividing common features of them. Jucevicius (1998, p. 153-154) concentrated his research on resources of entrepreneurial organizations in dynamic environment and identifies such features of entrepreneurial organizations:

- proactiveness – active position of organization to environment;
- aims, reaching possessed opportunities and resources;
- team and group work culture;
- ability of learning;
- skills of decision making solving problems.

According Jucevicius (1998) entrepreneurs have such main characteristics as risk taking, orientation to possibilities, initiative, creative, independency, wanting and trying to experiment, creating new value, knowing personal benefit they seeks, capability of learning, capability to solve problematic situations, proactiveness, seeking to do more with restricted resources.

According Zakarevicius et al. (2004, p. 47) “today entrepreneurial is called such an organisation, in which economic, social, and managerial mechanisms act so, that all possibilities are to integrate employees’ innovative creative, managerial ideas, to mobilize them and other resources for the implementation of these ideas. The functioning of these mechanisms directly depends on style of managers’ activity, models of leadership and abilities”. Zakarevicius et al (2004) identified the main principles of cherishment of entrepreneurship also.

In their article Krisciunas and Cepkauskiene (2004) analysed penetration of entrepreneurship in Lithuanian economy, Researchers emphasised the need to support entrepreneurial small and medium-sized enterprises. Later, Krisciunas and Greblikaite (2006, a) analysed entrepreneurship

Zahra et al. (2009) identified three types of social entrepreneurs: Social Bricoleur, Social Constructionist, and Social Engineer. Social Bricoleurs usually focus on discovering and addressing small-scale local social needs. Social Constructionists typically exploit opportunities and market failures by filling gaps to underserved clients in order to introduce reforms and innovation to the broader social system. Social Engineers recognize systematic problems within existing social structures and address them by introducing revolutionary change. As a result, these entrepreneurs often destroy dated systems, and replace them with newer and more suitable ones.

Social entrepreneurs have also become highly visible agents of change in developed economies, where they have defied traditional solutions (Cox, Healey, 1998; Zahra et al, 2009). Collaborative relationships to finance and operate programs that pursue their social mission have given rise to a variety of social ventures (Dorado, 2006).

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in knowledge-based economy, where conditions for intellectual entrepreneurship could be identified. Social dimension, responsibility of entrepreneurship was analysed in Krisciunas and Greblikaite article (2006, b).

Janiunaite (2007) analysed innovativeness, creativity, entrepreneurial connections. Janiunaite analysing innovative culture identifies it as individual expression of values, approaches, behavioral norms or rules, even the way of thinking, which could express by creativity, innovativeness, entrepreneurship in innovative activity (p. 15).

There are some scientific works on social responsibility of business. They are not exactly connected with social entrepreneurship, but those works are important in entrepreneurship context. *Vasiljeviene (2002) researched enterprise ethics analysing problematic spheres of ethics implementation in enterprises, enterprise culture, and moral dimension in enterprise ethics, social market conception social contract conception, and social development of ethics. It is the strongest work moving towards research of social entrepreneurship.* Later Vasiljeviene (2006) analyses the ethical practice of enterprises in corporate social responsibility context, especially emphasizes the importance of ethical managerial systems in organizations.

Greblikaitė (2011) analysed the features of entrepreneurship's expression in enterprises in her dissertation. There were features of entrepreneurship's expression in social activity of an enterprise identified. They reflect social dimension of entrepreneurial enterprises and entrepreneurship. The practical expression of these features was researched in small and medium-sized Lithuanian enterprises. The research supposed the conclusion that *social activity and its features are important and inseparable from entrepreneurship.*

The fulfilled analysis of research works about entrepreneurship in Lithuania allows making a conclusion that entrepreneurship research in Lithuania has traditional viewpoint. Social entrepreneurship is almost not researched. There are only some individual assumptions on this theme. Those theoretical and practical research are important, interesting and could be and needed to be developing in the future, because Lithuanian enterprises need support from scientists as well as from government. Especially, strengthening of entrepreneurship is very important for such countries as Lithuania, where migration is rather high, even in sector of high qualification workers (Daugeliene, 2007), that potentially could be entrepreneurs in their native countries.

Conclusions

- Entrepreneurship is very important in economy as creating new job places, getting people involved in their own business and becoming more and more important especially in rather small countries economy as Lithuania. Challenges of market, competitiveness, and society development cause the rising of new dimensions, concepts, and paradigms in research of social sciences. One of those new conceptions, viewpoints is social entrepreneurship.
- Social entrepreneurship is researched rather recently. Social entrepreneurship encompasses the activities and processes undertaken to discover, define, and exploit opportunities in order to enhance social

wealth by creating new ventures or managing existing organizations in an innovative manner. Traditional entrepreneurship is mostly connected with economic result of activity. Social entrepreneurship is connected with double result – economic and social success and equilibrium creation in the society. Social entrepreneurship helps to solve some social problems of population by starting-up or developing successful enterprises for- profit (or not) as well as minimize those problems.

- Research of social entrepreneurship in the world is focusing on conception level and different paradigms development. For now, Lithuania lacks research on entrepreneurship at all. Social entrepreneurship is analysed rarely; analysis and research concentrate on some specific questions. In the future the further research of entrepreneurship should be developed and might be useful for Lithuanian economics, supporting entrepreneurial enterprises, solving actual social questions, strengthening business positions in Lithuania seeking for competitiveness in the global market.

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