

# THE SOCIAL ENTREPRENEUR – THE NEW PLAYER ON THE SOCIAL STAGE

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## Abstract

*Many authors that study the concept of social entrepreneurship have focused their explanations of this concept on the basis of the individual, the social entrepreneur. The American School of Social Innovation, one of the four existing school of thoughts in the area of the topic, focuses on the study of the person behind the (social) entrepreneurship. Seen as „road opener with new strong ideas”, [1] as „change agents in the social sector” [2] or as „pragmatic visionary who achieves change at a large scale” [3]. The social entrepreneur could be considered the modern version of Say’s or Schumpeter’s portrait of entrepreneur. There are also some authors that consider (social) entrepreneurship, related to the individual as a competence and as attitude [4].*

*The authors of the paper will also explain in this paper the concept of (social) entrepreneurship as a competence, but in another way. The concept of (social) entrepreneurship is many times associated with the adoption of business instruments in the civil society sector that is why a new vision on the role of the business executive will be presented in relation to the „modern” version of the entrepreneur: the social one. According to the authors today’s business needs more improvising professionals, to add up to the extensive number of executive professionals. The authors believe that the “real “social entrepreneur is an embodiment of such a type of professional: an improvising professional, a “player” in the business and social field...*

**Keywords:** Competence, executive, improvising, professional, social entrepreneur.

**JEL Codes:** M16, M0, M14

## INTRODUCTION

The authors experienced that recent literature on the topic of social entrepreneurship presents the concept in several ways. To mention some of them the next examples give a good idea that the phenomena is strongly associated with:

1. non-profit organizations, [5]
2. companies operated by non-profit organizations [6]
3. organizations that create companies with financial losses [7],
4. the philanthropic domain [8], or
5. a person or organization engaged in entrepreneurial actions with a social aim [9]; [10]. [11]

The popularity that the concept of social entrepreneurship has had during the last years could be a result of the increase in competition in the welfare sector and the limited resources that are available for the actors of this sector. It could also be related to the drawback of traditional financing systems and creation of an entrepreneurial mind-set and raise in inequality derived from the globalization process and it also the redistribution of wealth at a global scale. [12]

The expansion of the concept is also due to “the new strategic environment where the operations of the social half of society have become entrepreneurial, competitive, productive and as strong as the ones of the business environment” [13]. This is the result

of, on one hand the increase in number of organizations in the social sector, as well as the mobility that individuals and organizations possess in today's society. Organizations no longer need to use local resources, but can explore options in any corner of the world. [14]

In the business, from the beginning of this new millennium, organizations are facing faster changes in a shorter span of time. There is a tremendous pressure on managers to create highly flexible and innovative strategies to compete and increase profits and market share while decreasing the cost. Managers not only have to ensure that they are delivering shareholder value; they also have to prove that they deliver added value to the organizational profit.

Today's organizations are realizing that, in order to achieve organizational objectives, as many resources as possible have to be aimed on value-added activities, meaning to get the most out of the human capital. More than ever, they have to be "entrepreneurs" and "players" that will find new ways to measure, describe and implement performance drivers and, in that way influence the success of a strategic focus on the objectives of the organizations.

The authors will therefore in this paper focus on a potential "answer" to these challenges that both the social sector as well as the business sector are facing. Even if it looks that there are big difference between both sectors, the authors believe that they both face similar issues. Moreover this paper will also describe who that player/social entrepreneur is, that can influence the success of the organization, in both sectors.

## **1. THE NEED FOR NEW (IMPROVIZING) PROFESSIONALS**

### **1.1 The executive and improvising professional**

The business world is constantly searching for ways to expand the skills of its professionals [16]. They explain that improvising and performance under pressure combined with the creative process, is becoming increasingly popular as a strategy to resolve unexpected challenges. A promising approach to teaching and training new skills in an experiential manner is using

improvisation exercises. Accordingly, they studied the characteristics of skilled improvisation professionals to see which ones might be applicable to leaders in business and they discovered two kinds of professionals in the business. They divide them in

*Executive professional*, with high scores on:

- the need to take charge,
- the confidence in ability to do so,
- the need to keep score or win.

And *Improvising professional*, Who:

- accept situations as they are presented
- are egalitarian in their approach.

The first professional, the executive, has a strong focus on solving problems, taking charge, controlling and managing according to measurable criteria. The second professional, the improvising, is more focused on the process of the continuing action. He or she listens, is aware of it, accepts the situation and "problem" and adapts to it and then advances.

This interesting view of the two categories and mind-sets that professionals can have for their role and approach towards challenges is also the base on the changes in the functions that human resource management has gone through in the last years. For that the authors refer to the model for the transformation in HRQM [15], which will be in detail explained in the next section (1.2.).

When referring to the social sector, and in this study especially about the term "social entrepreneurship", we, as authors can conclude that the main resource of a non-profit organization is also there the human resource. Mostly this will be in those organizations in the form of volunteers, who can also been seen as unpaid employees.

But not only in the social sector there can be social entrepreneurship. It can also be perceived in all other sectors. Cochran explains it very clear as "the process of applying business and entrepreneurial principle onto social problems".[18] Also "organizations which apply entrepreneurial skills in order to sustain themselves financially while having a greater impact in their social mission" [5] or as an innovative, social value-creating activity that can occur within or across the non-profit, businesses or government sector." [19]. The definitions for social entrepreneurship blur in this way the

line between the traditional sectors, [4] and can therefore be found in all sectors.

Based on this given approach the authors decided not to look at the sector or organizations but to have a closer look at the individual person behind the employee and to focus on the roles and functions that employees can have in and for their organizations.

## 1.2 Transforming HR and QM from administrating to added value

To see how the person as executive or improvising professional, can be the “player” in an organization we make use of the model made by Vinke about the functions that HR and Quality management can have in the organizations. (see fig 1.) [17]

It shows clear the reflections of today’s business requirements. Vinke considered these three functions as the stages that the HR and Quality management function is going through in organizations, and also as steps in the development of how the human resource as a person is and can be approached. [17]

These categories and phases explain not only the change in focus of the HR and QM departments, moreover, they also show the growing added value of the role that HRQM can have for the completely organizational value.

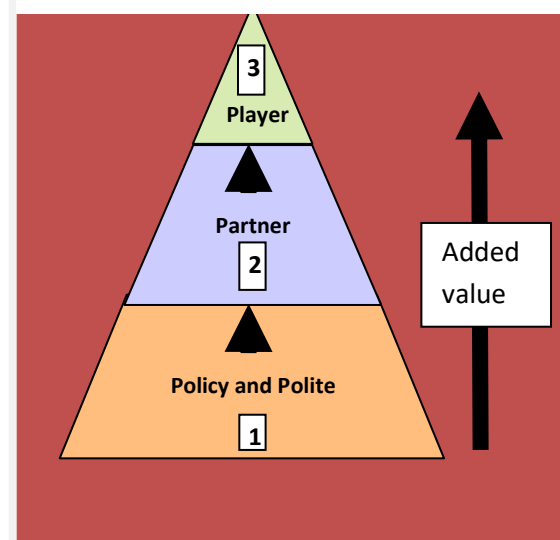
Beside these more formal functions the stages can also be seen as an individual function and or role for an employee. The “player”, is, according to the authors the person in an organization that is able to act on all stages; as the person that can act with the policy and “polite” part, and can act as “partner” and then also as “player”, in regard to the human resource and the quality in the organization. An explanation of the three stages can make this clearer to the reader.

### 1.2.1. The “policy and polite” phase

The policy and polite phase coincides with the formal creation of a “Personnel Administration” or “Payroll Department”, in organizations. In this function the primarily responsibility is on managing personnel information, data and processes and to ensure that organizations are compliant with employment legislation. Employees of these

departments serve as “controllers” and “administrators” to ensure that employment practices and policies are adhered throughout the organizations. They develop the policies, rules and regulations to ensure this. These departments are also in many organizations seen as the “polite” department. They coordinate social events, like company parties, picnics and other outings, sending birthday notes and flowers to employees, etc. Based on own experiences of the authors, organizations gave little or no value to this function in organization or its business. In non-profit organizations, this function is done most of the time without any formal existence of a department, mostly just on a need basis, when a specific action or project requires volunteers, they are recruited and “administered”.

Vinke, J., 2008  
Fig. 1 The three functions in HRQM



### 1.2.2. Partner phase

In the next stage, the “partner” stage, the role as well as the importance of the human resource management grows. The HR and/or Quality Departments that want to integrate with the organizational strategy, still struggle with the right way of doing this. This struggle is of course not strange; managers are used and trained to making decisions based on tangible and measurable assets such as revenues, results and supply chain. Dessler explains that Human Resource and Quality management and the value of employee relations and development toward quality are in most cases not tangible nor measurable

and therefore hard for executives to understand and to control. As a result, many HR and Quality departments in organizations are still in this second phase – trying to become the ‘business partner’ of the management. They are in most cases not consulted or included in organizational or strategic decisions. [20]. In bigger non-profit organizations, volunteer coordinators are placed in the internal administration of the organization and more policies are put into place, longer terms planning etc. including retaining on a long(er) term the human resource.

### 1.2.3. Player phase

From the beginning of this new millennium, organizations are facing even faster changes in a shorter span of time. There is a tremendous pressure on managers to create highly flexible and innovative strategies to compete and increase profits and market share while decreasing the cost. (The Economist, September 2010) Managers not only have to ensure that they are delivering shareholder value; they also have to prove that they deliver added value to the organizational profit. Only information in the knowledge economy is not power anymore, unless the human resource can create added value out of it. Today’s organizations are realizing that, in order to achieve organizational objectives, as many resources as possible have to be aimed on value-added activities, meaning to get the most out of the human capital. Not only by saving costs, but also by investing and getting return on investments in people on a short and long term.

Boselie explains that organizations outsource the standardized back-office functions in order to focus more on strategic and competitive activities. Organizations are in need for innovations and efficient and effective management of the workforce as key competitive advantages [22]. Nevertheless, at the same time, they want to enhance the importance of Human Resource and Quality management.

These developments make for the authors clear, that there is a need for big changes in the role and competencies of HR and QM. It is not enough to stay in the role of “controller of the policy” and being “polite”. It is even

not enough anymore to become in the role of being ‘partner’ for the management [23]

The HRQM role needs to change and enlarge. Besides having the “controller” role and being the “business” partner, there has to be a more focus on being a “player” in business.

If we relate this to non-profit organizations, we can see that many academics and even professionals see social entrepreneurship as a way out of the challenges that the current market is facing, or better said “an emergent innovative approach to face complex social problems.” [26] An interesting view on this is given in the definition of social entrepreneurship [19]: “social entrepreneurship is the innovative activity, creator or social value which can appear inside and along non-profit organizations, businesses or governmental sector”.

The authors have used this last definition to look at social entrepreneurship and moreover to the person, the social entrepreneur, as the new player, the improvising professional in the social sector and also in the other sectors.

## 2. THE IMPROVISING PROFESSIONAL ON THE SOCIAL STAGE – SOCIAL ENTREPRENEUR

Earlier we mentioned the difference in two kinds of professionals and we defined the improvising professional, as a person who is able to accept situations as they are presented and who is focused on the process of the continuing action. He or she listens, is aware of it and accept the situation and “problem”, adapts to it and then advances.

This professional, along with the executive one can both be at any stage in the order given in figure 1. They are the professionals who have to deliver shareholder value; have to prove that they deliver added value to the organizational profit. These both professionals as persons in those roles do not only save costs, but they also invest and get return on investment in people on a short and long term. They have to think in terms of sustainability and have a strategic focus.

But who is then this improvising professional and what is the relation with social entrepreneurship?

In finding the answer to this question the

authors have chosen to ignore the existence of difference in the sectors (profit, non-profit or governmental). The reason therefore is simple because the need for new professionals can be found in any type or organization, regardless the aim. The non-profit characteristic of the social sector, is not an excuse for the leaders of such organizations not to think business wise, as well as the business executives are forced by today's access to knowledge to become more social wise. The already existing definitions of social entrepreneurship as "business focused on social gains limited to economical results" [25] or "innovative solution for complex and persistent social problems by using models that belong to the business sector and models that are market oriented" [27] [28], [29],[30] creates a very good foundation for this perception.

The answer can according to the authors, be found in the competencies and skills that a professional needs to become an "improvising professional". According to the authors it is only the improvising professional that is faster able to reach the state of "player" in an organization. And this could be perhaps the definition of the "real" social entrepreneurship.

Sabourin & Pratt explain that a major difference between executive and improvisation professionals is in their competitiveness and need to control people and events.[16] Executive professionals score quite high on the scales that indicate a need to take charge, they are confident in their ability to do so, and need to keep score or win.

The improvisation professionals on the other hand score in the middle range on these variables. This could indicate that they are more likely to accept situations as they are presented and be egalitarian in their approach.

Given the prime operating process of a player - listen, awareness, accept, adapt and advance - the greater need for control of the executive professional could appear to be a stumbling block to creatively solving problems while under pressure.

They do not show as much willingness to listen and to explore new or unexpected outcomes as improvising professionals. Executive professionals have to be more precise in their goal orientations. They are

required to set up conditions under which they work and are evaluated.

The player phase in organizations requires more an improvising approach. The picture of improvisation professionals is one of acting without a script. They cannot afford to expect things to go as planned. They must adapt on the fly. This is more related to today's business.

Because the executive profile shows that it is a challenge for them to use the skills that the improvisation professionals employ regularly, the authors think that real social entrepreneurship will be shown if professionals practice in an engaging and changing environment, develop the confidence to be creative and think on their feet, and, above all, can listen in real time without rebuttal. In other words, really listen.

This makes clear for the authors that going through the three stages is the way towards social entrepreneurship. If social entrepreneurship is "the innovative activity, creator or social value which can appear inside and along non-profit organizations, businesses or governmental sector" [19], it is obvious that there is a strong relation with the player phase and the need for an improvising professional approach.

This approach asks for another mind-set and also another way of looking at management and training and education of managers. Improvising cannot be learned in an easy way. According to the authors maybe even not at all. The contradiction is already in the approach when talking about a "training to improvise". This sounds and is the executive professional approach. Improvising asks, for another strong competence, namely self-management. This is defined more in detail by the authors in a separate study in which they look for a new approach in education and training of managers in a so called "gyroscopic management" approach. [17]

### 3. CONCLUSIONS

In this present study the authors will not go further in this explanation. The theme of this present study is; "The social entrepreneur as the new player in the social stage". This points out the new approach of seeing the social entrepreneurship as role that is strong related to being an "improvising

professional". Being this or becoming this is due to needed competencies and the competence of being a player means not only having the knowledge or the skills. It also refers strongly to the attitude needed to listen, be aware, to accept, adapt and advance.

In this approach the authors see social entrepreneurship as a complete set of competencies where all these elements are involved. If a person has these he or she will be perceived as the social entrepreneur. This is the real player in organizations.

In order to explore further social entrepreneurship, the authors will continue their research by empirical study of what the "competence" of being an improvising professional. As earlier mentioned, the authors focus not on existing differences between different sectors and different organizations, but on the portrait or/and the competence that define the new professional/player, all around.

Based on the definition that social entrepreneurship is the "innovative activity, creator or social value which can appear inside and along non-profit organizations, businesses or governmental sector" [19], the authors will create a framework for this "new competence", also referred to as belonging to an "improvising professional". This way, the concept can be closer to understand and being measured in order to facilitate its potential development along professionals in (management) education and not only.

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