

Abstract. *The authors are preoccupied with analyzing the process of social entrepreneurship and the implications and the influence of Corporate Social Responsibility (CSR) on social entrepreneurial process. We will base our researches on two perspectives of social entrepreneurs and of founders. This study was inspired from a model developed by Professor Rob John in collaboration with Skoll Center for Social Entrepreneurship and Oxford Said Business School. Our research has as a main purpose to identify the way that NGOs and enterprises representative see their social implication and also their relation through partnerships and collaboration. This research is of particular relevance by providing an insight about the way that different types of collaboration between social organizations and companies increase social impact. Considering the lack of empirical studies in this field, we believe that this research has a great importance most of all because it offers the possibility to make a comparison between Romanian perceptions regarding the social entrepreneurship with Rob John research (2007) which can be considered a reference model.*

Keywords: corporate social responsibility, enterprises, NGOs, social entrepreneurship, social impact, social problems.

SOCIAL ENTREPRENEURSHIP AND SOCIAL RESPONSIBILITY: COMPARATIVE STUDY

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1. Introduction

Social Entrepreneurship

Even if there are major differences between social entrepreneurship and CSR we can say that both of them have a significant role through social value creation process. This research paper underlines how social value can be amplified through collaborations and partnerships established between firms and social mission organizations. Social entrepreneurship is addressed to social problems caused by the failure of public institutions in addressing social needs (Hartigan & Bilimoria, 2005). Some definitions limit social entrepreneurship to nonprofit organizations (Lasprogata & Cotton, 2003), while others describe social entrepreneurship as for-profit companies operated by nonprofit organizations (Wallace, 1999), or organizations that create a firm at a financial loss (Baron, 2007). Still others equate social entrepreneurship to philanthropy (Ostrander, 2007), while some scholars embrace broader definitions that relate social entrepreneurship to individuals or organizations engaged in entrepreneurial activities with a social goal (Certo & Miller, 2008; Van de Ven, Sapienza & Villanueva, 2007; GEM, 2009). Social entrepreneurship is a process that can provide viable solutions to problems with the purpose to improve access to social services, health education and local labor exploitation, reducing all forms of discrimination by providing jobs to people in need (Borza et al., 2009). In Romania, social entrepreneurship (social economy) is *“the generic term used to refer to a group of people gathered to assume an active economic role in the process of social inclusion, e.g. social enterprises, NGOs (foundations and associations) and other non-profit organizations that have an important role in management and strengthening activities”* (Definition of Ministry of Labor, Family and Social Solidarity).

Located in the social context, the entrepreneurs are innovators of society, an accepted definition and used by many organizations that sustain social entrepreneurship. Social entrepreneurs focus on systemic social change that disregards institutional and organizational norms and boundaries; they look for sources of resources and alliances exploiting a range of organizational forms from charities to not for profit to commercial venture (Nicholls, 2006). The social entrepreneur seeks to achieve social goals by developing new combinations of goods, services and methods, incorporating a high degree of innovation (Hatten, 2009).

Corporate Social Responsibility

Corporate Social Responsibility (CSR) brings many benefits and can be considered as an important lever in supporting social entrepreneurship (Austin 2007, Austin et al., 2006, Austin, et al., 2004, Austin & Reavis 2002, Austin, 2000). CSR implies commitment to improve the society through business practices (Kotler & Lee, 2005). The approach given by the International Business Forum (2003) assumes that corporate social involvement means the investment in established partnerships with

non-profit and public sector in order to create healthy and favorable conditions, targeting both the community needs and objectives of the business. CSR policies help the firm to fulfill the economic and social responsibilities to ensure the wellbeing of the firm and also it's the social welfare (Hockerts, 2007). CSR implies commitment to improve the society through business practices (Kotler & Lee, 2005). Companies that deal with their social responsibility in a forward-looking manner ensure that CSR becomes an integral aspect of their corporate governance (Brăteanu et al, 2011:87).

CSR is a concept which refers to a supposed duty which all companies (as social entities) should have towards all parties involved in their activity (Deaconu et al, 2011, p. 113). It refers to „business decisions" that pass beyond the economic and technical interests of the organization (Carroll, 1991). Social involvement is a corporative integrative function of the company involving practices that contribute to the establishing of positive relationships to the communities and to society at various levels (Waddock, 2004). The approach given by the International Business Forum (2003) assumes that corporate social involvement means the investment in established partnerships with non-profit and public sector in order to create healthy and favorable conditions, targeting both the community needs and objectives of the business. Businesses can contribute to the solving of these types of problems through partnerships, which is either through a department of an entrusted organization, as a department within the corporation or by a team of representatives of different companies (Wills, 2009).

Although definitions abound, we can say that two main directions can be highlighted, these being the contribution of own resources or voluntarily attracted ones to social development (community) and the networking with targeted groups important for business and key factors for the company (employees, customers, suppliers, nonprofit organizations, public authorities, the media). All CSR approaches have in common the idea that organizations have responsibilities regarding the social well-being.

2. Research methodology

Interdisciplinary character of our research is confirmed by two relevant models. For example, the literature suggests that there are differences in the structures of cross-sector relationships ranging from formal agreements (Austin, 2000) to informal loose collaborations (Berger et al, 2004). Moreover, implementation tends to occur through discrete phases or steps. The model developed by Tracey et al (2005) deals with four distinct forms of cooperation between enterprises and organizations with social mission, (charitable contributions, the enterprise internal projects, collaborations and partnerships), giving simultaneously an overview of the interface area of Corporate Social Responsibility and social entrepreneurship. Also Seitanidi (2008) emphasizes the existence of three forms of partnership across sectors, namely: public-private partnerships, public-non-governmental organizations and private

partners and NGOs. According to Bryson, Crosby and Middleton-Stone (2006), partnerships can be categorized into five directions: outcomes and accountabilities, contingencies and constraints, structure and governance, initial conditions; process. Professor Rob John, supported by the Skoll Center for Social Entrepreneurship at Oxford Said Business School has treated in detail the relationships between organizations and social entrepreneurs who assist them.

This research emphasizes an empirical study on NGOs and enterprises with the objective of analyzing the perceptions of partnerships of these two organizations. The survey had a structured form and was based on two questionnaires adapted to enterprises and NGOs considering the criteria of social entrepreneurship (Borza et al, 2009). The data collection process was made indirectly through e-mails and was implemented at top management level of businesses and NGOs.

3. Setting the method of sampling

This study was inspired by a model developed by Professor Rob John in collaboration with Skoll Center for Social Entrepreneurship and Oxford Said Business School and was conducted in November 2006 - February 2007. The objectives of this research were to determine the peculiarities that characterize the collaboration of social entrepreneurs with organizations that provide funding and support to them (John, 2007). The term used to define the activity that sustains social economy is "Venture Philanthropy" (V.P.) and refers to the charity principles of venture capital and long-term investments and other forms of support given. Organizations involved in the study are focused heavily on sustaining social objectives by charities, social enterprises and businesses. The research was based on interviews with 20 social entrepreneurs who received help from V.P. and analysis of 34 organizations focused on giving grant funds. Countries of origin of the organizations were: United Kingdom, Germany, Spain, Italy, Netherlands, Switzerland etc.

Starting from the Rob John model, we developed two studies in N-W area of Romania, one on NGOs and other on enterprises (Mitra et al, 2010a, b). Based on the belief that social entrepreneurship is a complex process that can occur in various forms of organizations we choose to investigate two types of organizations and was conducted in July 2008-October 2009. Thus, we made a research on active NGOs in the range of N-W area of Romania and simultaneously was conducted a random probabilistic sampling. Using the Taro Jamane method, we established a sample of 394 enterprises, excluding family associations and individuals and 234 NGOs as sample base. From enterprise we obtained 79 of the questionnaires and from NGOs 76 questionnaires.

Both researches used the following criteria which offered the possibility of comparison:

At the level of the organizations that offer support we analyzed:

- Organizations (companies, foundations, networks that support social entrepreneurship);

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- Financial aid (typology of financial instruments used, annual expenditure made for the non-profit status they were granted welfare organizations);
- Non-financial services (including types of services and modalities of provision);
- Degree of involvement (length of partnership, consistency relationship);
- Effectiveness and impact (measured results of financial aid and non-financial assistance).

At the level of social organizations we analyzed:

- Organization (types of social enterprises which run their business, stage of development, areas of activity and staff and personnel policy);
- Financial and non-financial aid received (typology of financial and non-financial instruments used and their usefulness);
- Degree of involvement (the type of relationship between partners);
- Effectiveness and impact (measuring the results of financial aid and non-financial assistance).

The hypotheses of Rob John model and the research from Cluj:

1. There is common trend of increasing concern for social involvement in both cases.
2. A common trend concerns the fact that financial aid takes the form of grants and donations.
3. Relations between social funds and entrepreneurs emphasized by Rob John's model are much stronger compared with those established between businesses and NGOs.
4. Social implication of enterprises is a practice that can start from the experience of other companies.
5. Citizen's perception of enterprises social involvement is marred by mistrust.

4. Research results

We will present our research results with Rob Jon's research (2007) of NGOs and commercial enterprises in N-W area of Romania vs. Rob John's model made in collaboration with Oxford Said Business School and the Skoll Foundation (2007). As we follow, the common aspects of these two studies will be presented in the table.

Table 1

Comparative analysis of Rob John Research and commercial enterprises in Cluj

Criteria	Rob John Model, Oxford, Skoll Foundation (2007)	Research on commercial enterprises from Cluj
Organizations	34 organizations that are providing founding; 94% of organizations designed to	79 companies: SA-13.16%, 63.8%-SRL, 2% associations, 1.1% Other; Most of the companies included in the

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Criteria	Rob John Model, Oxford, Skoll Foundation (2007)	Research on commercial enterprises from Cluj
	provide support were founded 10 years ago or even less, 68% of which were founded in the last five years.	survey, which are socially involved were founded after 1990.
Financial support	Charity subject to economic principles are relatively few and not complex being at the beginning; Financial instruments used show that most aid was in the form of grants; Loans and investments were widely used.	Aid is provided in the bulk form of financial aid: grants and donations of both individuals and NGOs to facilitate their work; I found no situation where companies have lent or invested.
Non-financial services	They have a close relationship with social entrepreneurs and are carried through innovative models used to support social causes; Most of these organizations support the process of social entrepreneurship, followed by youth and children, education and health. The main services provided are consulting services (strategic consultancy, management, corporate governance), accounting, financial services, fundraising consultants, information technology, marketing and communication.	Provision of food and clothing and offering jobs to those in need, but they have acquired a much lower percentage than the financial aid form; The main groups were: persons with disabilities (53.43%) children and young people (43.30%), local community (52.6%).
Degree of involvement	Organizations involved in providing funds engage in partnerships with social organizations such continuity of relationships however is different; Approximately 65% of organizations establish partnership relations in two, three years with social organizations and the rest have established relationships after 4 years and 75% of respondents claimed that they would engage in sustained social organization leaders while the rest would not do this; Usually the benefits obtained are social and image and very little as financial benefits.	74% of a total of 59 valid responses were specified that would not make a partnership with NGOs. From those enterprises that would involve social, they have chosen as a means of collaboration as it follows: 15% like the idea of partnership, 20% would work long term with an NGO, 10% would create a foundation on its own initiative, 35% have indicated that it would require only that the NGO would be the beneficiary, 10% believed it would work only if the social activities would be complex, and only 10% would work to increase social impact; The benefits of collaboration with NGOs: image of the company (43%), improve relationship with the social sector (38%), increase of success (32%).

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Criteria	Rob John Model, Oxford, Skoll Foundation (2007)	Research on commercial enterprises from Cluj
Efficiency and impact	85% of respondents claimed that measured the effectiveness of social impact and how social services are provided but there is no clear measurement tools for this purpose; One organization noted that a survey conducted annually on the degree of satisfaction gained from achieving social investment	Social impact assessment does not present an intense concern for social enterprises involved, but of those who have such a method, most have specified that the amounts allocated and the scope of the results give an idea of social involvement.

Social entrepreneurship research included providing information on:

Table 2

Comparative analysis of research Rob John (2007) and NGOs from Cluj

Criteria	Research Alec Reed, Oxford Said Business School, Skoll Foundation (2007)	Research of NGOs from Cluj District
Organizations	20 social entrepreneurs who work in organizations such as non-profit organizations, social enterprises, commercial enterprises with social objectives and environmental charities.	76 NGOs: 64% associations, foundations - 28%, SC-4%, Other 4%; Are mostly oriented counseling, social service and welfare.
Financial support	Regarding the performance of social entrepreneurs, they said that the non-financial services had a much greater impact than the financial services.	The main sources of income of NGOs are: donations, their economic activities, state subsidies and financing projects; Another aspect to note is that there are organizations that undertake economic activities to cover 1 to 100% of total revenues; Most donations come from foreign sources; Among the activities that generate the highest revenue were recorded for: education 62.3%, 29.6 counseling, health 32.4%, manufacturing 18%, tourism 18.3%, 17% arts, religion 11.3%, 12.7% recycling.

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Criteria	Research Alec Reed, Oxford Said Business School, Skoll Foundation (2007)	Research of NGOs from Cluj District
Non-financial services	The services received by social entrepreneurs were counseling, governance, consulting services for fundraising.	Non-financial aid received by NGOs in the form of volunteering, donations in goods, but I've noticed that many NGOs get support in the form of consultancy, especially for fund raising campaigns
Degree of involvement	Most of the social entrepreneurs have launched invitations to representatives of the funds as part of the board of directors, only 14% agreed to be part of the administration board, and a share of 41% agreed to participate in meetings. One respondent considered the relationship with the fund as a bad, ending it by conflict and many problems.	The idea of association and establishing partnerships is not pre approved; For approximately 75% of respondents, local councils have a major role; Organizations with social purpose are not considered very important, about 41% of respondents appreciated the support from them is important in a small and very small way. I noticed that supporting the business environment is, for 65% of respondents, assessed as important in a small and very small extent. Aid granted by banks, customers, and consulting firms is more significant than that given by investors and suppliers.
Impact and efficiency	Impact of social entrepreneurs is pursued but with not strong evidence. Very few were those who said they had a person in the company responsible for tracking results and or that polls conducted in this regard	Most don't have a well established method to track the social impact. NGOs appreciate its impact from the number of people helped and the amounts awarded.

Following this comparison we can draw some conclusions identifying the position that both organizations support social organizations and social organizations that address social issues:

We can see a common trend of increasing concern for social involvement in the businesses aimed at providing funding and in both cases this is relatively recent. This illustrates a positive trend towards the awareness of issues of social involvement.

A common trend concerns the fact that financial aid takes the form of grants and donations. Although Alec Reed's study refers to the use of loans and investments (found in an early stage), among companies in Cluj has not been noticed any such issue. In the first case of non-financial services are represented by consultancy and services compared with Romanian companies which provide non-financial aid and can take the shape of donations, food, clothing and jobs.

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Relations between social funds and entrepreneurs emphasized by Rob John's model are much stronger compared with those established between businesses and NGOs. Actually this believe is sustained by the involvement V.P representatives in the board of directors of social organization, unlike the situation of the undertakings included in the survey that indicated only a rate of 26% that would agree to establish partnerships with NGOs. Instruments used to measure social impacts are unclear in both cases. The vast majority of services received by the social entrepreneurs were non-financial, in the case of Romanian NGOs particular importance is given to financial aid that mostly come from foreign sources.

Social implication of enterprises is a practice that can start either from the existing theory in the field or from experience of other companies, although most aspects are learned from the experience of conducting business as a result of social responsibility programs. Certainly social involvement is achieved gradually from initiatives that do not involve too many resources but which may lead in time to support social entrepreneurship through the creation of organizations that work effectively for social causes.

Citizen's perception of enterprises social involvement is often marred by mistrust and suspicion which is a challenge for many companies. Unfortunately the desire to be competitive puts an intense pressure on the Romanian enterprises that consider social involvement to expensive. Thus, when social involvement does not have a positive contribution to company's development, social responsibility is minimized or even eliminated. Somehow justified in the context in which businesses conduct activities aimed at profit and less to the charities. To support the involvement of social enterprises must have economic stability, any social involvement, requiring the mobilization of resources that can be allocated for other purposes affecting business prosperity. Relationship between social and financial performance affects the competitive advantage held by the company arising from social responsibility programs undertaken. In social responsible programs are undertaken by large enterprises wishing to gain a competitive advantage but it cannot be sustained if small.

We present a model designed to support social entrepreneurship that can work both for social organizations and trade organizations that address social involvement at a complex level. We can say that businesses can contribute significantly to support social entrepreneurship although they have a mission-oriented corporation. We developed a model that reflects up to this point our view on the manifestation of social entrepreneurship.

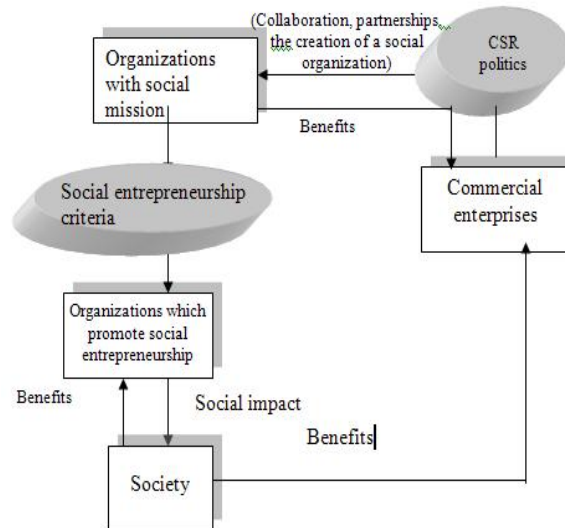


Figure 1. Social entrepreneurship model

Figure 1 reflects our vision of the organizations involved in addressing social problems and how it can be done. As we can see companies can help sustain social entrepreneurship, a factor which triggered the process of social entrepreneurship. This can manifest itself as collaborations, partnerships, or even by creating an organization with social mission. Not all organizations that promote social mission falls under social entrepreneurship, but only those which meet the data social entrepreneurship (Borza et al, 2009). Finally organizations bring substantial benefits to the society by creating social value. The benefits are mutual for both social organizations, organizations promoting social entrepreneurship and businesses. If the first two will get a considerable advantage in support of social mission, the last will get some advantages that will be transposed in greater benefits for the economic activity.

5. Conclusions

Corporate social responsibility is a useful tool in support of social entrepreneurship process even if the factors underlying these policies are not entirely of a social nature. Not all approaches to corporate social involvement may influence the social entrepreneurship. Issues affecting corporate social responsibility policies adopted by companies are dependent to:

- motivation underlying nature of corporate social responsibility policy;
- existence in enterprise culture;
- typology of corporate social engagement tools that companies use in the steps of social participation;
- nature of the relationship between enterprise and social organization;

- continuity and sustainability of the relationship;
- benefits gained by both parties and social impact.

We believe that corporate social responsibility is considered a tool of social entrepreneurship which triggered the process that can bring substantial benefits both from the support and from the social impact, and these cannot be neglected.

Social entrepreneurship can take various forms of organizations, but in our opinion NGOs and their various forms of association provide the best conditions, because of the facilities provided by the law.

Based on these two researches we conclude that NGOs have better chances to promote social entrepreneurship starting with the fact that these have first of all a social mission. Also we can say that social entrepreneurship can be sustained by the companies through CSR (partnership, collaboration, founding a organization with a social mission). Corporate social responsibility and social entrepreneurship have distinct conceptual approach, but interferes in the area of recovery of social opportunities.

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