

STRATEGIC IMPERATIVES OF SOCIAL ENTREPRENEURSHIP ON SOCIAL PERFORMANCE

¹Ogbari, E. Mercy, ²Chima, U. George, ³Olokundun, A. Maxwell, ⁴Motilewa, D. Bolanle & ⁵Kehinde E. Busola.

^{1,2,3,4,5} Covenant University.

 mercy.ogbari@covenantuniversity.edu.ng +(234) 8060319126

Received: **November 28, 2022** Accepted: **28.12.2022** Date of Publication: **February, 2023**

Abstract:

This study examined the effect of social entrepreneurship on the social performance of enterprises operating in Nigeria. The study adopted a quantitative method. Specifically 200 copies of structured questionnaire were distributed to ten social enterprises operating in Nigeria. Based on the results of the regression analysis, findings show that of all measures of social entrepreneurship, social innovation has the highest potential to improve the social performance of a firm. It is thus recommended that firms operating specifically in developing countries that are characterized by institutional challenges should place emphasis on ensuring they continually produce socially innovative processes and procedures.

Keywords: Social Entrepreneurship, Social Innovation, Social performance

1. Introduction

A rigid approach to economic growth in past decades has led to an increase in per-capita income in developing countries. This has dominantly been accompanied by inequality in income levels, lack of educational opportunities, worsening healthcare facilities as well as generally deflated living conditions [1,2]. Governments and NGOs have thus tried to close up these gaps in the economy, by providing social amenities needed for the survival of citizens that fall between the cracks of the free markets in which the playing fields are tilted in favor of the wealthy and powerful. However, the combined efforts of governments and NGOs have not proven equal to the task of ameliorating expanding socio-economic inequalities [3]. As a result of this, social entrepreneurs have taken the responsibility of assisting individuals left behind and satisfying the needs of un-served and under-served citizens that cannot pay for the goods and services they require for survival [3]. While several studies such as Ref [3,4, 5], have highlighted the role of social entrepreneurship in economic development, wealth distribution as well as job creation, a gap still exists on the effect of social innovation on the social performance of the firm itself. Although social enterprises aim to “do good”, it is still a core of their activity to remain profitable, hence the need to measure their performance

2. LITERATURE REVIEW

A. Overview of Entrepreneurship

The main idea behind social entrepreneurship is the merging of societal and business missions, in such a way that proffers both economic and social values [6]. Since a satisfying result is not derived from both philanthropic and governmental initiatives, Ref [7,8, 9] perceived social entrepreneurs as possible actors for developing new models that meet social needs. Such establishments thrive by combining social and economic value conception [10]. It is generally perceived that social enterprises are a substitution and accompaniments to activities of global non-profit organisations as well as governments to discover lasting answers for unaddressed social needs [11,12].

B. Social Innovation

Ref [13] emphasized social innovation as an innovative combination of prevailing components to form a new social connection that adds value to pre-existing concepts. Similarly, Ref [14] recognized a connection between social innovation and attained revenue of social enterprises. The goal of social entrepreneurs is in enhancing the environment for everyone [15]. According to Ref [16], social entrepreneurs are mostly catalytic innovators and change catalysts. Their major objective is to make everlasting systemic occurrence through

the start of new concepts, procedures and shift in paradigm [17,18].

C. Social Entrepreneurship and Social Performance

In a study carried about Ref [19], it was observed using a time-based framework that social entrepreneurship at institutional and firm levels promotes innovation within the organization as well as economic growth and improved social performance for the firm. Similarly, Ref [19] elaborated on the value of social entrepreneurship in social performance, as it is believed that the society better accepts firms that are seen to not only be making profit, but doing so within the context of proffering solutions to societal challenges[20].

1. METHODOLOGY

The study adopted the quantitative research method through the use of a survey questionnaire. The study population comprised of all registered social enterprises with the Corporate Affairs Commission (CAC) domiciled in Lagos and Ogun State. Ten respondents each were derived from each organization, thus giving a sum of 200 respondents for this study

A. Analysis and Discussion

Out of the 200 copies of questionnaire distributed, 187 copies were retrieved and analysed for this study. Across the entire sample, male respondents were 120 (64.2%), while female respondents were 67 (35.8%). Table 1 below shows the nature of the services rendered by the selected organisations.

Table 1
Nature of Services Rendered

Frequency	Percent	Cumulative Percent
Youth development program	40	21.4
Charity organization	7	3.7
Children's welfare services	6	3.2
Community development program	69	36.9
Empowerment program	46	24.6
Others	19	10.2
Total	187	100.0

From the table 1, it is seen that 40(21.4%) of the respondents are engaged in youth development program, 7(3.7%) are engaged in charity organization, 6(3.2%) are engaged in Children's welfare services, 69(36.9%) are engaged in community development program, 46(24.6%) are engaged in empowerment programs and 19(10.2%) of the respondents are engaged in other nature of services.

Coefficients					
	Standardised Coefficients		df	t	Sig.
	Beta	Std. Error			
Income Generation	.332	.057	2	5.184	.000
Social Innovation	.348	.062	2	5.466	.000
Participative Governance	.082	.065	2	1.291	.198
R	0.545^a				
R²	0.297				
Adj. R²	0.285				
F-value	25.628				
Sig.	0.000 (p < 0.01)				
a. Predictors: (Constant), Social Entrepreneurship: <i>Income generation, Social Innovation, Participative Governance</i>					
b. Dependent variable: Social Performance					

The model summary presented in Table 2 above revealed that there is a relationship between social entrepreneurship and sustainable social performance with $r=0.545$, and $R^2= 0.297$. R^2 is the proportion of variance in the dependent variable, which can be predicted from the independent variable. Based on the result, social entrepreneurship made significant joint influence on social performance as R square value his value indicated that there is variance of 29.7% between social entrepreneurship and sustainable social performance. With an F value of 25.628, the model in this table is statistically significant (Sig =.000), hence the null hypothesis should be rejected. The result in Table 2 also reveals that of all the three measures of social entrepreneurship adopted for this study, social innovation has the highest beta value of .348 compared to other variables of social entrepreneurship. Statistically, this means that social innovation makes the strongest unique contribution in engineering the firm's social performance

Discussion

The adoption of social innovation as a main characteristic of social entrepreneurship has the potential to significantly improve the social performance of enterprises, especially in the developing country's perspective, where citizens do not have access to basic amenities needed for survival. Findings from the above analysis showed that there is a relationship between social entrepreneurship and the social performance of firms. This is in congruence with the works of Ref [3,21,22], where it was observed that the promotion of social entrepreneurship influences the performance of the organization

Conclusion and Recommendation

This study focused on examining the effect of social entrepreneurship on the social performance of small social enterprises operating in Nigeria. Based on the regression analysis, the study concludes that social innovation does have a significant effect on the social performance of firms. It is thus recommended that organisations operating in developing countries take into cognizance the benefits of social innovation on their social performance.

ACKNOWLEDGEMENT

Authors of this research work express sincere appreciation to the Management of Covenant University for giving full sponsorship to this research work.

References and Footnotes

- [1]. B.D. Motilewa, M. Ogbari, and D.O. Aka (2015). A review of the impacts of SMEs as Social Agents of Economic Liberations in Developing Economies. *International Review of Management and Business Research* vol. 4, no 3, pp. 903-914.
- [2]. G. Surie,(2017) Creating the innovation ecosystem for renewable energy via social entrepreneurship: Insights from India. *Technological Forecasting and Social Change*. Vol. 121, pp.189-195
- [3]. B. Arogyaswamy, (2017). Social entrepreneurship performance measurement: A time-based organizing framework. *Business Horizons*, vol 60, no 5, pp603-611.
- [4]. L. Pate and C.Wankel, (Eds.). (2014). *Emerging research directions in social entrepreneurship* (Vol. 5). Springer Science & Business Media.
- [5]. S. Shane, and S.Venkataraman, (2000). The Promise of Entrepreneurship as a Field of Research. *Academy of Management Review*, vol 25, no 1, pp.217-26.
- [6]. R. L. Martin, and S. Osberg, (2007). Social entrepreneurship: the case for definition. *Stanford Social Innovation Review*, vol 5, no 2, pp.28–39.
- [7]. G. Dees, (2011). Social ventures as learning laboratory *Tennessee's Business*, vol 20, no 1
- [8]. A. M. Peredo, and M. McLean (2006). Social Entrepreneurship: A Critical Review of the Concept. **Journal of World Business**. vol, 41, no 1, pp. 56-65
- [9]. C. Trivedi, and D. Stokols, D. (2011) Social Enterprises and Corporate Enterprises: Fundamental Differences and Defining Features, *Journal of Entrepreneurship* vol 2 no. 1.
- [10]. M. E.,]Ogbari, O. S. Ibidunni, O. O. Ogunnaike A. M. Olokundun, and A.B. Amaihian, A. B. (2018). A Comparative Analysis of Small Business Strategic Orientation: Implications for Performance. *Academy of Strategic Management Journal*, vol 17, no 1, pp 1-15
- [11]. C. Seelos, J. Mair, J. Battilana, and T. Dacin,(2010). The Embeddedness of Social Entrepreneurship: Understanding Variation Across Local Communities (May 5, 2010). *Research in the Sociology of Organizations*, 2011; IESE Business School Working Paper No. 858. Available at SSRN: <https://ssrn.com/abstract=1687083>
- [12]. S.A Zahra, H.N. Rawhouser, N. Bhawe, D.O. Neubaum, and J.C. Hayton. (2008). Globalization of Social Entrepreneurship Opportunities. *Strategic Entrepreneurship Journal*.vol 2 no 2. pp117-31.
- [13]. R. L. Korosec and E. M. Berman, (2006). Municipal support for social entrepreneurship. *Public administration review*, vol. 66, no 3, pp. 448-462.
- [14]. G. Dees and B.B. Anderson. (2006). Framing a theory of social entrepreneurship: Building on two schools of practice and thought. *Research on Social Entrepreneurship, ARNOVA Occasional Papers Series, vol 1, pp. 39–66*.
- [15]. B. Mulloth, J.R. Kickul, and L.K. Gundry (2016). Driving technology innovation through social entrepreneurship at Prezi. *Journal of Small Business and Enterprise Development*, vol 23, no 3, pp. 753-767.
- [16]. C.M. Christensen, H. Baumann, R. Ruggles and T.M. Sadtler (2006). Disruptive innovation for social change. *Harvard Business Review*, vol. 84, p.94
- [17]. M.R. Kramer,. (2005). *Measuring Innovation: Evaluation in the Field of Social Entrepreneurship*. Foundation Strategy Group
- [18]. M.A. Olokundun, O. Olaleke, F. Peter, A.S. Ibidunni, and A.B. Amaihian (2017). Examining the link between university support systems, knowledge sharing and innovation: a focus on nigerian university students. *Journal of Entrepreneurship Education*, vol 20, no 2
- [19]. G. Surie and A. Groen, (2017) The importance of social entrepreneurship in national systems of innovation — An introduction”. *Technological Forecasting and Social Change* vol 121, pp.181–183
- [20]. C. Moses and A.M. Olokundun, (2014). Social Entrepreneurship: An Effective Tool for Meeting Social Challenges and Sustainable Development. *Entrepreneurship and Innovation Management Journal*, vol 2, no 3, pp.158-169.
- [21]. H. Cherrier, P. Goswami, and S. Ray. (2018) Social entrepreneurship: Creating value in the context of institutional complexity. *Journal of Business research*. Article in view
- [22]. H. Landström and G. Harirchi, (2018). The social structure of entrepreneurship as a scientific field. [Research Policy](#). Article in press