

Social Enterprises and their Sustainability in India

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Abstract – Social enterprise is no exception as all organizations must generate enough revenue to survive. However, social enterprise has different definitions and characteristics to business enterprise that adjustments to the Canvas are necessary to fully capture the business model of a social enterprise. The paper contends that social enterprise sustainability is grounded in understanding the impact of contextual, organizational and individual spheres that correspond to three strategic ex-ante enablers: stakeholder orientation, relationship-oriented Organisation, and entrepreneurial behaviour; all of which have had valuable contributions towards the upkeep of the enterprise. The study demonstrates that sustainability of social enterprises in a constrained environment is a function of a continuous entrepreneurial activity and the effective use of social and business models.

Keywords: Social Enterprise, Social Entrepreneurship, Business Models

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I. INTRODUCTION

A social organization or an enterprise is one that is mindful of the existing challenges to aid sustainable development of the society by downplaying political and economic challenges at the time of sustaining the performance of the organizational finance. These enterprises have grown by integrating the private sector with the social and public ones [1]: social purpose integration with different methods of business [2].

Though the idea of such an enterprise has been set up around a decade before [3], the concept literature is in its developing phase. Social enterprises definition depends on the application along with its usage across the world. For instance, social enterprises has been regarded as the strategies of earning income by organization that are non-profitable, based on voluntary, [4]; others public services [5]; pursues goals both economic and social [6]; businesses seeking profit having a huge impact on the fields of public welfare [7] or having social conscience [8]; along with the enterprises of community facing social issues [9]. Such definitions have two characteristics: the social aim supremacy and revenue generation fundamentality. To attain the above, such a definition has been taken; different enterprises aim to attain social goals using the implementation of business and commercial like activities.

Arising from the background being not-for-profit [3], the social enterprises are seen to have various view of traditional organization that is not-for-profit to

apply models business-like to various social issues. The above comprises of practices such as commercial or client focus, revenue generation, self-funding operations and market [10] in lieu of the efficiency and effectiveness to help setup both the economic and social legitimacy – a different management form named as ‘social management’. When describing the social enterprise emergence, Teasdale (2012) outlines a total of four theoretical wats: first, state failure and goods provided by the market to provide social insurance and goods; next, the decline in the funding of the government as prompting the competition intense for the donations, this in a way stresses on the integration of approach of income earned to attain the commercial revenue; third, theory of institution that underlines the dominant practices adoption in the said field as shown by fixation of the societal ideology of business (Dart, 2004b); fourth being the voluntary failure – as the institutional theory extension that describes the existing imbalance between nonprofit organization and state, which explains the higher dependency on latter to address the social issues and on former to aid progressive funding [11]. No doubt, social enterprises is seen to be part of the services important to communities deprived by laying contribution to the social capital development of social capital as well as deploying innovative ways which the traditional community organization and public fail to give a solution.

Switching in the linear economy model both at the macro and the micro level, to the approach of circular economy has to better the efficiency of cost

and also the companies competitive advantage which further reduces adverse effect on the society and the environment. As of now, several national, local, and international stakeholders have been seen fighting that saves natural environment from companies and humans irresponsible interventions.

A specific attention has been given by huge corporations and the enterprises medium sized to environmental and social problems. But, several practitioners and authors claim the given approach to be part of the strategy of internal marketing or an effective tool to motivate clients and staff, or the strategic intervention to build brand of the company.

With respect to business strategies and operations of the organization's profit mission, there exist various authors that underlines ways by which the framework of circular business need to be alike. Few of the recent researchers have developed significant components of the model of circular business based on the Model of Business Canvas: channel, value propositions, revenue streams, customer relations, key activities, key resources, cost structure, key partnerships. Few other researchers have covered the model of circular business under the given four pillars: infrastructure management, value proposition, finance management, customer interface. There is need to have significantly a new model as expressed widely by different researchers.

Few researchers provide significant tools or phases laying how the models of business have changed. For instance is seen to develop the framework of 4I that has a total of four generic phases starting from design to the realization. Other strategic redesign strategic planning tools, like Balanced Scorecard, present in the way that is more sustainable. Few researchers has highlighted that the models of circular business has been out of the box attributed ideation and creative thinking. Significant circular innovation business methods are found in the literature of diverse academy.

Another attention has been laid on the environmental and social problems as given by different social enterprises that are the open markets new players. Social enterprises have been deemed to be the exclusive organizations which solve both the environmental and social problems sustainably. Wide variety of evidences has been laid on the social enterprises that are related to the environment and provided by various authors.

The organization types mentioned, being the paper subjects has to review the business models and its existing policies mainly under the limited potential and resources conditions. The above is the reason why the circular economy has attracted attention in terms of a tool powerful for sustainability [8].

Few authors stress on the fact that social enterprises would play crucial roles in the transition process from

the economy being linear to circular. Few companies use strategic innovative thinking to deduce the effect environmental and further enhance the society's value since the mission the business is social and lays significant attention on the sustainability as laid by the stakeholders that are part of the transition process, like technology, policy makers, and researchers and innovation centers [9] Further, practitioners stated that in developing economies where the social and green problems are agendas of Government, the start-ups using the circular economy should lay support and incentives to attain social aim strong sense. There exists a recommendation on the approach of sustainable strategy to be used by different organizations who wishes to be responsible and sustainable too [11].

A. Contextualising organisational sustainability within the social enterprise field

Theoretical perspectives based on the sustainability process in the enterprises not for profit and social range between the simple conceptualisation where sustainability is deemed to be affirming on the prevalence of the firm when maintaining the services to the notion that sustains a better living. The perspective latter shows the practice both multidimensional and multifaceted. For instance, Elkington (1997) coined the Triple Bottom Line (TBL) – on the sustainability view that consists of attributes economic, social, and environmental. Various studies reflects on the realm of context when addressing the meaning of a social enterprise being one that bases itself on the contextual dimensions relationship to the extent of sustainability and growth, several other formats has been put up along with the sustainability entrepreneurial economic. In the same way, literature has been found to focus on the drivers internal to social enterprises sustainability as inadequate: Nkrumah and Okorley (2012) postulated on the impact of several internal drivers' on the sustainability of organisation (e.g. management of human resource mainly fund management and leadership or material resources), and further stresses for greater research insightful conducted in said areas. The given paper seeks redressing the literary gap at multiple levels: the first, when addressing the dynamics of context and the dimensions which optimally lays contribution on the understanding of a nature broad along with the social enterprise prerequisites of sustainability; and the next by adoption of an approach pragmatic which examines total of three enablers interrelated in a cascading way – as the organization, context, and individual – thereby drifting apart from the research mainstream which primarily depends on 'static' models for determining the social enterprise sustainable elements [12].

B. Enablers at the context level

The ways in which the social enterprise manages and identifies the social, political and the economical context is seen to play a crucial role when promoting the supportive framework creation amenable to the growth and emergence. As cited by Scottish Social Enterprise, they recognised the external enablers contextual to be the drivers of 'high-level promoting the development social enterprise. So, factors like the level of engagement and community's capacity affect, to a considerable extent, the organization's overall internal capacity along with the chances for better success and performance. Social capital is identified to be the formulas underlying principle of the sustainability act social enterprise. The above is achieved via developing and building social networks and social value institutionalizing and principles that has been used when combating most of the social drawbacks and enterprise sustainability basis. When developing the community cohesion or the social capital, everyone appears to be the player: donor's volunteers, community members, funding agencies, all give core and support services. The Social capital is thought to be of the intangible nature and varies within the capacity of the organisation to develop and attract strong connections in the social market- place [13].

Putnam (2001) offered a different conceptualisation scheme, the social capital viewed to be the set of social norms, networks, trust, values, relationships, and social cohesion alignment and civic engagement; at the bottom, with social capital being the fusion of network and human capital (e.g. strategically partnered) of the community constituents and key institutions [14]. Skerratt (2012) viewed social capital to encompass two major types, political and bridging (e.g. networking) social capital. In a sense, social capital lures various social enterprises to act in the context of simultaneous adoption and evolving far beyond the context; a type where the social enterprises can navigate regional, local, or the connection extra-local while hoping to encourage and create different network intervention modes. Such a situation need the social enterprises to attain obtain significant levels of acceptance socially (social legitimacy) as part of learning, social knowledge, social networks, human capital, etc [15].

C. Enablers at the organisational level

From the perspective of the grounded theory, sustain of social enterprise is seen to rely on the dynamic internal organisational as much as the same gets influenced by the contextual dynamics. Wide range of the enablers has been offered by literature having varying significance degrees. Determining the way by which the social enterprises articulate strategies and formal vision for future has been argued to be the sustainability major reason. Considering the distinctive feature, which is to operate in a social mission, develop and, build the enterprise capacity is

fundamental for the growth and survival. Capacity building consists of the skills development, the resources and significant structures. The skills important and required at the said level include partnership, leadership, human development and allocation of resource, all that account to the development of organisation. In the same way, building the social enterprise internal capacity is the venue for creation of value in economic, social, and spheres of environmental.

Financial enablers are more fundamental to aid the social enterprise continuity of existence, in all enterprise stages the enterprise where the appropriate and timely funding is required. Given the sphere, two normal economic funding forms are present. The first being, external funding having subsidies, grants, sponsorships, and donations. Second, is generation of revenue; even if not restricted to activities of commercial trade as argued by some researchers, social enterprises need to undertake revenue generation scheme Whether business-like or non-business-like like the projects based on needs or driven by demand. Similarly, contended that the social enterprises need to undertake business mainstream practices and financial tools and business-like management when balancing the objective of the enterprise's being based on learning and sets of culture or cooperation to form social enterprise sustainable future [12].

D. Enablers at the 'social entrepreneur' level

Could there exist any social enterprise in absence of social entrepreneur? Given the thought of school of 'Social Innovation', the social entrepreneur, is viewed to be the indispensable enterprise form. Yunus (2011) as cited in Basu and Sharma (2014) has argued that the social entrepreneurs act as individuals that possess skill variety: for instance, they enthuse, empathies, mediate, enable, advocates and empower. As the position been attained by several authors such as Lead has viewed the social entrepreneurs to develop and adopt the mission for creation and sustainability of the social value for ones that are neglected or are underserved, pursuing and recognising opportunities for serving the mission, being part of the phase of adaptation, continuous innovation, and learning, thereby acting boldly, further exhibiting a huge sense of one's accountability [13]. Given the perspective of the process, however, as Sykes has cited in Thompson (2002) it conceptualised the process of three-stage entrepreneur and then into four extensions by Thompson (2002); nonetheless, there exists cases when such roles has been shared and split with people in the organization. The roles include envisioning (to identify an opportunity, need, and gap), engaging (performing activities in terms of opportunity), enabling (to allocate resources and

mobilise people like capital), and also enacting (to see through the entire initiative) [17].

Based on the earlier works in terms of the propensity the motivation, and the personality of the organization's entrepreneurs, Williams and Mathias (2014) studies is presented at the time when the research was not looked in individuals so as to lay comparison in the role of variation identification and the effect on ways by which the entrepreneurs acts and think they point towards a dominant role which is seen to precede over the role non-dominant (investor or managerial) as identified to be activated. But, with regards to the research done previously emphasis has been laid by Mathias and Williams (2014) on founders to find each spending greater time in roles being non-entrepreneurial. For example, as the organisations mature, it is seen that founders spend huge time on the behavior of manager as linked to the business day operation and not just as the social entrepreneurs. The above might link to the aim of social entrepreneur providing solution that is sustainable and embedded normally in system social (Santos, 2012). In order to distinguish between the economic entrepreneur and the social entrepreneur, consideration major is put in the social entrepreneur's behavioural aspect [18]. Hernandez (2008) has argued that the behavior stewardship differentiates an economic entrepreneur from the social entrepreneur. It is seen to have attitude set and the behaviours which keep them in the interest best of long-term to be beyond personal goals – the sustainability precondition. For instance, social enterprise stewardship behaviour conveys a huge sense of partnership, service, and responsibility the behaviour often put up in the system of value of the social sustainable enterprise [19].

E. Objective of the Study

The objective of the study is to study the business models of social enterprises towards achieving sustainability

II. LITERATURE REVIEW

A. Social Enterprise

Kerlin (2009) has noted various social enterprise definitions. In United States, as a term social enterprise is broad and relatively a concept vague that primarily refers to economic activities that are market-oriented and serve a social aim, as seen in Europe, this concept came to appearance at the time of adoption of the legal law of social cooperative by Italian parliament in 1991. Eventually the researcher of Europe saw the prevalence of similar initiatives across Europe and they decided to build a study network on the rise of social enterprise in all continent. Further, the EMES European Research Network popped up with the social enterprise definition as organizations that aim explicit to driven

advantage to the community, and promote by citizen group where the capital investor's material interest is subject to certain limits. Also, the social enterprises place huge value on their economic risk and autonomy related to the activities of ongoing socio-economy.

Social Enterprise Alliance (2009) as defined the social enterprise to be the venture or organization (within the organization) which advances market strategy oriented social mission. Such strategies have income receiving earned in a direct exchange of the privilege, service or product. For the paper entirety, such a definition has been used to lay description for the social enterprise [20].

B. Business Model

The business model term first appeared by Bellman in the academic article and also by Clark, et. al. in the year 1957 and in title by Jones in the year 1960. But, the concept has not been defined properly and is significant only after the rise of World Wide Web back in mid-1990s. From that time, the same was seen to gather huge momentum. There does not exist any general definition as accepted on the business model term. The definition diversity poses multiple challenges to delimit the model components and nature as it constitutes the model of business. This further leads to terminology confusion, as strategy, business model, revenue model business concept, and economic model used often interchangeably. Also, the model of business is regarded as the design, architecture, method, pattern, statement plan, and, assumption [21].

Amit & Zott (2001) has asserted that the "business model" outlines the structure, content, and transaction governance to create value by exploiting different business opportunities has defined the business models to be the stories explain the functioning of enterprises. Osterwalder, Tucci & Pigneur (2005) defined the business model to be rationale on how the organization delivers, creates, and captures value. Using organization as the term, Osterwalder, Tucci and Pigneur fail to exclude organizations which normally are not associated with the model of business in business, like charities, non-profit organizations, profit ventures, and public sector entities [22].

Osterwalder & Pigneur (2010) has argued that all organization own a specific business model, since they need to generate higher revenue for covering the expenses to survive. However, the only difference existing on the social enterprise and the traditional business enterprise is the organization's focus. The focus of business enterprise is laid on the shareholder value or the financial returns whereas social enterprise laid their focus on social cause, ecology, and mandates of public service. They then used the term as "beyond-profit models

of business” for characterizing the organization's business models which are not the traditional company for-profit. They then split the model of “beyond-profit business” into different categories: enterprise models of third-party funded and business models triple bottom line.

C. Business Model Canvas

Osterwalder and Pigneur (2010) are seen to stand out in all others since they gave both the component and definition of business model and the visualization too. The Canvas of Business Model enables this business model to be relevant, simple, and also intuitively understandable, whereas it does not oversimplifies the complexities on the functioning of enterprises. Then the Canvas turns into a shared language and further the tool useful for the stakeholders talking on the business model [21].

The Canvas of Business Model along with the definition on nine blocks of building blocks are-

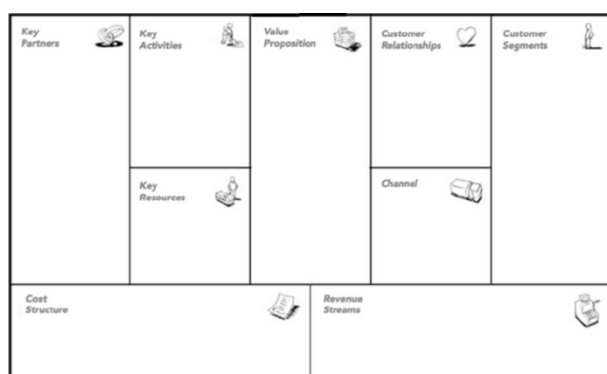


Figure: Business Model Canvas. Adapted from Business Model Generation by Osterwalder & Pigneur (2010).

The Business Model Canvas nine building blocks are:

1. Customer Segments: Different people groups or of organizations which the enterprise aims to serve and reach.
2. Value Proposition: The products and services bundle which create a value for the segment being of specific Customer. Value could be qualitative or quantitative (e.g. price, speed of service).
3. Channels: ways by which the company communicates and reaches to different Customer Segments for delivering the Value Proposition. Distribution, Communication, and the sales Channels includes company's interface among customers. The Channels could be indirect or direct, partnered or owned channels.

4. Customer Relationships: The relationship types as set up by the company with specific Segment of Customer.
5. Revenue Streams: The Company cash as generated from each of Segment of Customer.
6. Key Resources: The crucial assets needed to make the model of business work. Such resources enable the enterprise to offer and create Value Proposition, maintain relationship, reach markets, of Customer Segments, and then earn varied revenues. The prime resources are financial, physical, human, or intellectual. They could either be leased or owned by an enterprise or partnered.
7. Key Activities: The crucial things the company need to do to aid functioning of the model. These are the needed action from creation and offering the Value Proposition, outreach markets, drive the Customer Relationships and leverage revenues.
8. Key Partnerships: The partner and supplier network which improve the functioning of business model.
9. Cost Structure: Costs incurred for operating the model of business.

III. CONCLUSION

The given explored the management utilisation and practices and marketing concepts by social enterprises along with their contribution to the organization's sustainability. From the review of the literature on social entrepreneurship and enterprise, business model and the Canvas of Business Model, it is important to have additional building blocks in order to understand ways by which the social enterprise are created, delivered and captured value. Then the study focuses on different dynamics in respect to enterprise's and thr enterprise itself, along with the ones stemming from the founders as contributing to the sustainability. The sustainability of the enterprise as characterised best to the extension of the orientation for the stakeholders, by which the enterprise resources can be appropriately alignee with the outcome anticipated being achieved. There exists a strong association amidst the dynamic of internal organisational and the sustainability of the enterprise.

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