

Visionary Social Entrepreneurs Bring increasing profits to Organizations

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Abstract- The concept of social entrepreneurship has been differently identified by diverse researchers leading to contradicting definitions. Therefore, whether visionary social entrepreneurship results in increasing profits is a questionable in the research world. As an answer to these contradicting findings and ideas of social entrepreneurship in literature, the current study focused in explaining the characteristics and the behavior of social entrepreneurial ventures in Sri Lanka. Therefore, the focus of the study is to explain how visionary social entrepreneurship leads to create profits and to gain increasing profits in a sustainable way.

Index Terms- Profits, Social entrepreneurship, Vision

I. INTRODUCTION

The contribution which social entrepreneurs make to a nation's social, economic, cultural and environmental wealth is being increasingly recognized. Hence, social entrepreneurship has been identified as an innovative way of tackling unmet socio-economic needs (Mulgan & Landry, 1995; Leadbeater, 1997, as cited in Shaw, 2007). The term "social entrepreneurship" has emerged as a new label for describing the work of community, voluntary and public organizations, as well as private firms working for social rather than for-profit objectives. Delineating, social entrepreneurship has evolved into the mainstream after years of marginalization on the edges of the non-profit sector. After all, Social entrepreneurs recognized as the entrepreneurs who are able to serve a triple bottom line achieving profitability, societal impact and environmental sustainability, simultaneously (Harding, 2006).

As Brinckerhoff described (Brinckerhoff, 2001) social entrepreneurship readiness checklist incorporating the areas of mission, risk, systems, skills, space, and finance. And predominantly, these skills leads to the ability to develop a network of relationships is a hallmark of visionary social entrepreneurs, as the ability to communicate an inspiring vision for motivating staff, partners, and volunteers.

There is a considerable interest on social entrepreneurship and the need of social entrepreneurs who serve and fulfill the needed around the globe (Chell, 2007; Desa & Kotha, 2005; Perrini, 2006, as cited in Zahra et al., 2008). Still, despite the growing international nature of many social entrepreneurial activities, researchers have not devoted sufficient attention to understanding how entrepreneurs select particular global social causes or create their ventures around these international opportunities. Researchers have also failed to articulate the rationale for the emergence of new international social ventures

or the timing and scope of their international operations (Zahra et al., 2008).

Economic reality of the companies and economic welfare of human society are the two sides of a coin and proper balance of the two is important (Sun et al., 2001) and on establishing a link between business and social responsibility (Porter and Kramer, 2006, as cited in Kryger et al., 2011) corporates focus on the integration with their corporate brands.

Currently, nonprofit oriented public sector organizations are focusing on social entrepreneurship for providing social benefits. Yet, profit oriented private corporates hesitate to engage with social entrepreneurship since it undergoes with a social capital and cost. According to Rossouw & Van Vuuren (2004) corporate social responsibility has gained unprecedented prominence in the modern corporation which brings indirect financial benefits to the organizations. According to Frank Knight's Risk Bearing Theory, the entrepreneur earns profit as a reward for taking risks. Dees (2001) argues that social entrepreneurs are no into wealth creation. And Mair & Marti (2006) raise the argument of all social entrepreneurs are not into a social business by elaborating that the multinational companies seeks financial profits in every activity they do.

Therefore, the research study delineates the importance of visionary social entrepreneurship as social responsibilities for the profit oriented organizations are rising and correspondently social entrepreneurial ventures up whelm the financial benefits.

II. LITERATURE REVIEW

Social entrepreneurship

According to Austin, Stevenson, & Wei-Skillern (2006) definitions of social entrepreneurship range from broad to narrow. Former studies refers social entrepreneurship as into innovative activity with a social objective in either the for-profit sector, such as in social-purpose commercial ventures (Dees & Anderson, 2003; Emerson & Twersky, 1996, as cited in Austin et al, 2006) or in corporate social entrepreneurship (Austin, Leonard, Reficco, & Wei-Skillern, 2004, as cited in Austin et al, 2006). Dees (1998) has delineated that the social entrepreneurship lies in the nonprofit sector, or across sectors, such as hybrid structural forms which mix for-profit and nonprofit approaches. As per in the narrow definition, social entrepreneurship typically refers to the phenomenon of applying business expertise and market-based skills when nonprofit organizations develop innovative approaches to earn income in the nonprofit sector (Reis, 1999; Thompson, 2002, as cited in Austin et al, 2006).

Yet, most commonly social entrepreneurship defined as “entrepreneurial activity with an embedded social purpose” (Austin et al, 2006). Mainly most approaches from different authors define social entrepreneurs as entrepreneurs with a social mission (Dees 2001; Martin & Osberg 2007, as cited in Santos, 2012) and consider social entrepreneurship as entrepreneurial activity with an embedded social purpose (Austin et al., 2006). Combination of the concepts of entrepreneurship and social mission are the common concepts in definitions of social entrepreneurship (Mair & Marti 2006; Martin & Osberg, 2007). According to Haugh (2007) social entrepreneurship has also been called the simultaneous pursuit of economic, social, and environmental goals by enterprising ventures. Yet, Dees (2001) one of the approaches offers a more idealized view of social entrepreneurs as change agents in the social sector and this approach is completely contrasts with more pragmatic definitions that delineate social entrepreneurship as the generation of earned income by ventures in the pursuit of social outcomes (Boschee, 2001, as cited in Santos, 2012).

Social entrepreneurship; Critique

According to the definitions and the statements carried by the authors it is apparent that some authors have ignored the mission of social entrepreneurship as into associated economic outcomes, and meanwhile some other authors suggest that economic outcomes do form part of the mission of social entrepreneurship (Mair & Marti 2006, Zahra et al., 2009). These authors do not consider the economic mission as the primary mission of social entrepreneurship yet it as a way of economic value creation after number of empirical studies outcomes.

Similarly, Dacin et al. (2011) delineated that there likely exists a hierarchical ordering of social and economic value creation. Confirming the arguments of these authors Dacin, Dacin & Tracey (2011) argue that social entrepreneurs balance both sets of priorities and not just a one end of achieving only a social mission. They posit that a social value creation mission does not necessarily negate nor diminish a focus on economic value. In fact, economic value is most crucial for the sustainability of social entrepreneurial ventures and the creation of social value.

Further Dacin et al. (2011, p.1206) state that ... many scholars of social entrepreneurship tend to overlook those entrepreneurs that seek to maximize both social change and profitability, including entrepreneurs who focus on the symbolic management of social values to achieve their political and/or economic objectives and entrepreneurs who destroy (proactively or inadvertently) social goods through the pursuit of profitability or other objectives. An interesting example of the unintended consequences or “dark side” of social entrepreneurship is the recent criticism by Nobel laureate Muhammed Yunus, who publicly criticized organizations in the microfinance domain for marketing and privileging economic value (revenue) creation over the goal of social value creation...Further, Alvarez & Barney (2007) argues that social entrepreneurs may discover or create opportunities and launch ventures to make profits, create wealth, or balance social and economic imperatives (Elkington and Hartigan, 2008; Perrini, 2006, as cited in Zahra et al., 2008). Further, Prahalad (2006, as cited in Zahra, 2008) states that social ventures can be built by independent entrepreneurs as well

as corporations. Because profit and nonprofit seeking social ventures create jobs and develop the institutions and infrastructures needed for development, they can be the engine of economic and social development on a global scale.

Similarly (Mair & Marti, 2006) stressed out that social entrepreneurship can occur equally well in a new organization or in an established organization and it may be labeled “social intrapreneurship”. Like intrapreneurship in the business sector, social intrapreneurship can refer to either new venture creation or entrepreneurial process innovation. Hence, the organizational context in which social entrepreneurship occurs, it can be, i.e., newly created or established organizations, sets it apart from other more loosely structured initiatives aimed at social change, such as activist movements.

These literature delineated from different authors confirms that social entrepreneur is also an entrepreneur with a common intention of making profits. And Frank Knight’s risk bearing theory derives the relationship of risk, uncertainty, and profit which as entrepreneurial predominant features. (Langlois & Cosgel, 1993).

Social entrepreneurship- characterization and importance

Former, social entrepreneurship has become a mainstream after years of marginalisation on the edges of the non-profit sector. (Urban, 2008). Yet, social entrepreneurship as a practice that integrates economic and social value creation has a long heritage and a global presence. (Mair & Marti, 2006) According to Spear (2006) models of social entrepreneurship deal with (including any external support), social capital, learning, and outcomes. And it was hypothesized that social capital might be an important resource in the social economy and similarly it led to consider the formal and informal support structures in the entrepreneurial process (even including the possibility that the entrepreneurial process might be distributed outside the boundaries of the new co-operative enterprise, for example, to include public sector or social enterprise players and agencies.

Social entrepreneurship still remains as an under-researched area with replications. (Dacin et al., 2011; Harding, 2006; Mair & Marti, 2006). The importance of social entrepreneurship as a phenomenon in social life is critical; social entrepreneurs contribute to an economy by providing an alternative business model for firms to trade commercially in an environmentally and socially sustainable way. They also provide an alternative delivery system for public services such as health, education, housing and community support (Harding, 2006, p. 10).

Social entrepreneurship – a new phenomenon

The study of Bielefeld (Bornstein, 2004; Boschee, 2006; Brinkerhoff, 2000; Dees, Emerson, & Economy, 2001, 2002; Robinson, 2002; Tranquada & Pepin, 2004, as cited in Bielefeld, 2009) delineates several characteristics that can be appeared in a social entrepreneurial business as per the research studies of authors. Such characteristics are: diversify funding sources; fund overhead, innovation or unpopular causes; provide long-term sustainability; take advantage of new opportunities; meet new expectations from funders who ask nonprofits to be self-sustaining; spur the desire to meet the double-bottom-line (social value and income) or the triple-bottom-line (social value, income, and environmental neutrality); create entrepreneurial

spirit in the organization; show an enhanced understanding of clients(needed for commercial success); test social value; add skills and competencies to an organization and enhance an organization's profile among funders, and in the community.

It is important to note that the concept of social entrepreneurship has been differently identified by different scholars (Dees & Elias, 1998). There, one group of researchers identifies social entrepreneurship as not-for-profit initiatives in search of alternative funding strategies, or management schemes to create social value (Austin, Stevenson, & Wei-Skiller, 2003). Another set of scholars refers social entrepreneurship as a socially responsible practice of commercial businesses engaged in cross sector partnerships (Sagawa & Segal, 2000; Waddock, 1988, as cited in Mair& Marti, 2006). And a third group of researchers understands social entrepreneurship as a means to alleviate social problems and catalyze social transformation (Alvord et al., 2004).

Therefore, by analyzing the definitions which are established for social entrepreneurship and descriptions given for social entrepreneurship by different authors, Mair& Marti (2006) have identified three views in a social entrepreneurship. First, they view social entrepreneurship as a process of creating value by combining resources in new ways which delineates on innovation. Second, these resource combinations are intended primarily to explore and exploit opportunities to create social value by stimulating social change or meeting social needs which delineate proving a social value and seeking opportunities. And third, social entrepreneurship involves the offering of services and products but can also refer to the creation of new organizations which talks about creation of new ventures and offerings. Further they have explained that social entrepreneurship can be occurred equally well in a new organization or in an established organization.

III. METHODOLOGY

To seek answers to the research question and to achieve the purpose of the study, the study chose a qualitative approach as most of the social entrepreneurship and employee behavioral aspects are preferably performed through qualitative studies (Seelos&Mair, 2005; Lesabe&Nkosi, 2007).

Designs and the case study are well-known techniques in the qualitative approach. Studies comprised multiple case studies within specific contexts which are more relevant for an exploratory approach (Lesabe&Nkosi, 2007) and the use of multiple case studies provide further insights and more details to the research study and improves the quality of the research (Yin, 2009).

Most researches who have studied social entrepreneurship and its outcomes especially have used qualitative as well as case study approaches (Mair& Marti, 2006, Sellos&Mair, 2005) since it is harder to find social entrepreneurs than commercial entrepreneurs (Light, 2005). Hence, it was decided that the study be done with qualitative and multiple case studies for the methodology.

According to Cavana et al. (2001) and Neuman (2011) the determination of the unit of analysis during the initial stage of research is crucial as the conceptual framework, data collection techniques and sample size all depends upon it. As such, the

study selected the unit of analysis as the organization and based the study on two multiple case studies in these two organizations. Further, the study adopted a judgmental sampling technique as the population was designed to purposively select social entrepreneurs in Sri Lanka. Therefore, the researcher selected a purposive-extreme sampling method since, as stated by Palys (2008), if cases are of interest because they represent the purest or most clear cut instance of a phenomenon that the researcher is interested in, it is better that the researcher moves into an extreme sampling such as purposive sampling. Six employees were selected from each company among two selected companies and 2 social entrepreneurs were identified as the sample of the study leading altogether to a sample size of twenty one.

The research study covered a sample of two leading Sri Lankan private sector enterprises which deal in social entrepreneurship. According to Haugh (2007) social entrepreneurship entails the simultaneous pursuit of economic, social and environmental goals by enterprising ventures. Further, the ventures that pursue the creation of social value deal with human rights, economic fairness, equal opportunity, freedom of expression, consumer rights, environmental protection and such (Santos, 2009). Elaborating further, Santos (2009) maintains that social entrepreneurs usually starts with small, local efforts and they often target problems that have a local expression but global relevance such as access to water, promoting small business creation, or waste management. Hence, the study sample was selected by satisfying the definitions proposed by the research and aligning with the study definitions. As stated before, organizations were selected from all private organizations which deal with social entrepreneurship and that serve people and the planet in order to raise profits for shareholders in the organization.

Similarly, social entrepreneurship has been identified as an innovative way of tackling unmet socio-economic needs (Mulgan& Landry, 1995; Leadbeater, 1997, as cited in Shaw, 2007). Therefore, all the selected organizations served both people and the planet to raise the economic wealth/profit of the organization. Therefore, the researcher carefully examined all social enterprises which are in the private sector when selecting the most appropriate case companies for study purposes.

The study used predominantly unstructured in-depth interviews as the data-gathering method. Information was then recorded on an audio device in order to preserve an accurate account of the interview and can be replayed for analytical purposes. In triangulating the data collected through in-depth interviews, the current study gathered data through focus group discussions and observations as well. Further, the researcher took down details during the interviews as field notes whenever necessary. Participants were informed on their right to withdraw from the study at any time before commencing the interview as well as whenever they were reluctant to respond. In addition to in-depth interviews the study collected data from observations and focus group interviews for a comprehensive analysis of data. To ensure the economic wealth of the organizations the researcher used secondary data sources.

IV. RESULTS

Case of EBE

Eswaran Brothers Exporters (Pvt) Ltd (as EBE from hereafter) is a company highly focused on conservation of the natural environment in order to return a better living place to every species in the country and world at large. EBE is an established company since 1943. But, the focus of being a *sustainable business* came out as a new strategy by Mr.Subramaniam who is the deputy chairman in 2007 as an entrepreneurial activity.

Mr.Subramaniam who is the deputy chairman in 2007 as an entrepreneurial activity. According to Seelos&Mair (2005) social entrepreneurship is a trendy avenue to the traditional entrepreneurship and it offers all the challenges and rewards of traditional entrepreneurship, combined with the vision of changing the society or if not the world. Following the same concept in mind, the company transferred to a new avenue of going beyond the traditional business which sells traditional teas to the world. As a result, the company decided to move with an environmental friendly policy to serve better products and brand image to the direct customers who re sell tea and to grant a better living place to every living being as an entrepreneurial activity in 2007.

Therefore, EBE initiated to reduce the carbon footprint and become the first carbon neutral tea company in the world. The company identified though the traditional tea plantations may look idyllic, they are in to monocultures that tolerate little else besides the tea bush. Therefore, EBE moved with special projects to conserve the environment through tea grown at certified organic plantations which recreates the biodiversity of a rainforest making the tea *forest garden organic*. The tea grows amongst a profusion of living organisms which keep the growing crops' impact on the environment to a bare minimum. Satisfying the three processes which is introduced by Mair& Marti (2006) which a social entrepreneurial venture should come up with, the company went through with each process successfully. As per Mair& Marti (2006) initially, EBE has created value to the environment and to the society at large by combining resources in new ways. Secondly, these resource combinations intended in primarily to explore and exploit market opportunities to create social value by meeting the social need of conservation of the environment and creating job opportunities to the villages through that. And thirdly, EBE involves with the offering of a quality services to the world by preserving the planet and offering products which went beyond the concept of *being organic*. There, the whole idea is to be the most ethical tea product in the world as a business strategy.

Further, EBE helps to protect the rain forests in Sri Lanka. Hiniduma, in the southwest of Sri Lanka, is a mixed agricultural community surrounded by one of the island's last remaining rainforest ecosystems. EBE works with farmers in forest-edge communities along the Kanneliya Reserve buffer zone. By establishing the programme to conserve the eco system of the country along with the help of village farmers, the company is able to provide job opportunities to the poor. Together, EBE has instituted the *Hiniduma conservation carbon programme*, which will grow more endemic forest trees to protect against fragmentation and eventually reverse the process of centuries of deforestation. The entrepreneur at EBE expressed that having

environmental friendly activities have a definite social mission along with the journey of being the most sustainable tea company in the world and the most ethical tea provider in the world.

"[...]So the way we are try to do that becoming the most sustainable tea company in the world [is], we looked at number one, our environment, so we decided to become carbon neutral [...]"

"We wanted to do also something actually make difference something within Sri Lanka.[...] So we decided to setup something called "HinidumaBiolink".[...] basically with that Biolink what we are trying to do is , we are trying to help small rural tea farmers by going into their land, we study that the agriculture patterns. We help them plant trees. And we pay them to look after the trees." (Entrepreneur, October 2015)

Most commonly social entrepreneurship defined as "entrepreneurial activity with an embedded social purpose" (Austin et al, 2006). According Ireland et al.,(2001) entrepreneurship is a social process through which individuals and teams create wealth by bringing together unique packages of resources to exploit marketplace opportunities. Therefore, the question is whether social entrepreneurial ventures can earn profits and maximize the personal utility of shareholders since social entrepreneurial ventures are an aspect of traditional entrepreneurial ventures.

As in literature a set of researchers argue that the underlying drive for social entrepreneurship is to create social value, rather than personal and shareholder wealth (Zadek&Thake, 1997, as cited in Austin et al, 2006). Yet, another group of researchers argue that social entrepreneurs balance both sets of priorities and not just a one end of achieving only a social mission (Tracey, 2011).

The predominant question is, whether the social entrepreneurial ventures can earn profits? Therefore, the current study focuses on identifying the ability of creation profits in a social entrepreneurial venture. As per the empirical data analysis, it was evident that EBE is a social entrepreneurial venture which earns profits to create economic wealth of shareholders. EBE is being profitable from many years even after the implementation of the innovated entrepreneurial process with the objective of being *most sustainable tea company in the world*.

As per the analysis EBE used this innovated entrepreneurial process of being a social entrepreneurial venture in order attain a business advantage. As described by the entrepreneur;

"You know, we make sure that we don't want to do any harm [to] the world. Looking at all, we thought that, how we can turn that [environmental protection] into a competitive advantage for us. So, we decided [...] 'ok, we will turn that into a competitive advantage by making that [being environmental friendly] one of our key selling points. So we decided to become the most sustainable tea company in the world. So that's our stated aim and we are working towards that [to be environmentally sustainable]." (Mr.Subramaniam, October 2015)

The implementation of social entrepreneurial projects led to flow more businesses in to the company. The implementation of social entrepreneurial activities made the company successful in three areas and all these three areas led to maximize the profitability of the company. As per the entrepreneur;

“So, the main factor is, for cost reduction, number two is employee and in customer engagement, number three is in terms of brand building. And reputation and that has translated into business for us.” (Mr.Subramaniam, October 2015)

In order to become carbon neutral and conserving the natural environment as the main social entrepreneurial activities EBE urged to take each and every single step within and outside of the company. As a result, cost reductions through all source of energy savings and through waste management the company could attain a huge mark in cost reduction to the company. Due to this innovated entrepreneurial process, the engagement of current and potential employees has been gone up. Since the company has a good reputation in the corporate world as a best employer to work with through a positive employer brand, talented potential employees could attract to the company. Employee productivity, motivation and retention of the existing employees have been upgraded congruently. A novel and giant customers creep into the organization due to the certifications awarded to the company with the implementation of social entrepreneurial processes. Moreover, EBE was able to attain a very positive brand recognition and reputation in the corporate world with the conversation of being in to a social venture. Therefore, all these enhancements directed at increasing the profitability to the company.

The company has obtained a good brand image in the international market by providing carbon neutral products with differentiated and unique tea such as organic, herbal and green tea. Being certified as *the first carbon neutral certified tea company in the world* brings more giant customers to EBE upgrading the income and profits of the company. as described by the Logistics & Shipping manager,

“You know, we sell tea to the international market and not to the local market. So, with the carbon foot print and [these] kind of things [environmental friendly activities], we are having [an] advantage than others. So we have a good market share in the international market, we sell more to the international market and ultimately we are getting more money to our company.” (Mr.Seelos, October 2015)

According to Alvarez and Barney (2007) social entrepreneurs may discover or create opportunities and launch ventures to make profits, create wealth, or balance social and economic imperatives (Elkington&Hartigan, 2008; Perrini, 2006, as cited in Zahra et al., 2008). EBE is a company which has exploited the opportunity of being eco-friendly and providing a value to the customers and to the society at large with the intention of attaining a competitive advantage over the rivals in the industry through social entrepreneurial processes. Therefore, it is evident that the implementation of innovated entrepreneurial process for being the most sustainable tea company in the world through visionary social entrepreneurship has brought more profits to EBE and EBE as a company which balances both social and profit imperatives.

Case - PAO

Pasyala Ayurveda Osu (Pvt) Ltd is in to manufacturing Ayurveda medicines with the knowledge of traditional Ayurveda families and Ayurveda medications. A clinic is attached to the company for the treatments of the patients and the clinic issues the medicines which are manufactured at the company. Treating

patients was initially commenced in 1960 as a health care providing institute by Dr.Raddalgoda who is the father of current managing director, Dr. BuddikaRaddalgoda. The health care providing institute which was initiated in 1960 was transferred in to a company with a business perspective by Dr.B.Raddalgoda in 1996.

PAO is a social entrepreneurial venture which earns profits as per the data analysis. The mission of PAO totally directed at generating a healthy generation to the country with an embedded social purpose. Yet, the entrepreneur looked at the company in a business perspective with the concern of earning profit though the predominant aim is to serve innocent patients by filling the gap in healthcare system.

According to Tracey (2011), social entrepreneurs balance both sets of priorities and not just a one end of achieving only a social mission. Similarly, Alvarez and Barney (2007) argue that social entrepreneurs may discover or create opportunities and launch ventures to make profits, create wealth, or balance social and economic imperatives. Yet, some other authors argue that the mission of a social entrepreneur should be to serve the society and not to earn any profits out of the venture (Zadek&Thake, 1997, as cited in Austin et al, 2006).

Therefore, the question is PAO as a company directed with a clear social mission can earn profits to create or maximize the economic wealth of the owner? Simply, it is questionable, “whether PAO being a social entrepreneurial venture can earn profits?” and “whether PAO has initiated any strategies to earn profits out of the social venture?” as per the respondents PAO has a very good demand in the market with a competitive advantage over the rivals due to the quality of medicines and the good results of the products. The trust on Pasyala products has made the company to reach both the international and local markets with an increasing demand and flow of customers which result in high profits. As described by the Supply manager;

“One day, I was in a store and I checked whether our products are there. A person came there. Then he asked a medicine. Then the store keeper said several other brand names. Then that person said, “No, no. I need Pasyala medicines”. Then store keeper said that Pasyala product is over by now. [...] then he went away. So, we have a good demand for our products. The people demand our products due to the good results. If not he could buy any brand. That’s why we are here today.” (Mr. Weeraratne, October 2015)

PAO as a company in to social service has attained a distinguishable demand for their medicines. The respondents believe that all employee involvement with a good wish of healing a patient and each and every process directed at healing the patients has brought the success of the business. As per the respondents PAO uses precise ingredients without concerning the purchasing prices, natural tools and equipment and recipes owned to traditional Ayurveda families led the business to reach in to a financial development due to the good results which deliver to the society. As described by the Factory manager;

“I saw the quality of products. So, I could distribute [the medicines] all over the island. I could do that due to the high quality of the products. So, I could easily introduce our medicines to our sales agents. (Mr.Chandrasiri, focus group 2, October 2015)

Assuring the responses of respondents, the researcher observed copper vessels to manufacture different oils; wooden vats for syrups and “Arishta”; stone grinding machines; stoves uses woods; natural processes to convert gold, mercury, silver in to edible herbs; expensive herbal plants and wooden tools and equipment to conserve the quality of Ayurveda medicines which highly directed at the health of patients. (Field notes, October 2015)

As per the studies of Alvarez & Barney (2007), social entrepreneurs seek opportunities and launch ventures to create economic wealth. Similarly, the entrepreneur at PAO identified the opportunity to serve society with a business perspective as described by the entrepreneur;

“I really believe that I earn both money and merits. Therefore, I do this as a social service and as a business which earns money.[...]I need people to see this firm as a place which generates a service with a reasonable profit.” (Dr.Raddalagoda, October 2015)

PAO is a definite social entrepreneurial venture. Yet, the company sets targets in order to maximize profits for the company. Therefore, it is clear that social entrepreneurial practices can be used as an opportunity to launch profit oriented businesses. As described by an Area Sales manager;

“Company gives us a target monthly wise after discussing with the administration and the management. Then they know how much profit that they can earn and how is the expenses.[...]Then we as a team we achieve the targets somehow. Then we can be happy about thinking that we have taken our company to the destination where it wanted to be. Then we know we have given them a profit.” (Mr.Sridaran, October 2015)

The respondents were happy to talk about the economic development that the company has gained by providing a better social service to the society. They expressed their views on daily increment of the company in every aspect. Therefore, the empirical data analysis allowed the researcher to assure that PAO as a social entrepreneurial venture earns increasing profits.

V. DISCUSSION & CONCLUSION

The study confirmed that both two cases are social entrepreneurial ventures which are into (in the) private sector and both ventures assured that being a social entrepreneurial venture brings a very good and increased cash flow in to the firm allowing enhancing the profitability of the company. Thus, the entrepreneurs or the shareholders could upgrade and create an increasing profitability.

EBE was a profit oriented commercial venture as most of the private organization in early stages of EBE. Yet, EBE respondents pointed out with the approach of new owner of the company, EBE has showed an evolution with an orientation towards protecting the environment. EBE claimed that the firm serves the whole world by providing an alternative business model which is commercially in an environmentally and socially sustainable way. They also claimed that they provide an alternative delivery system for public services such as education, community support (Harding, 2006) and addressing the issues of poverty (Schuyler, 1998). EBE has done an entrepreneurial process innovation (Mair& Marti, 2006) in becoming a social

entrepreneurial venture in order to create a sustainable profit flow and to gain a competitive advantage over rival firms. EBE pointed out that the firm decided to be an entrepreneurial venture in creating a competitive advantage and due to the particular decision they have upgrade their employer branding and profitability of the firm.

Considering the case study of PAO, the firm has initiated with a social mission of serving innocent (needy) patients. Yet, PAO claims that after identifying the lucrative business opportunity of health providing (Harding, 2006), the company decided to be built as a commercial business which earns profits and be a social care provider. Case of PAO highlights the importance of serving the country and the world at large as an entrepreneur. PAO believes that there should be a positive return to the country and to the world since businesses utilize the resources of the country. PAO predominantly as a manufacturer in Ayurveda medicines earns an increasing profit flow due to the health consciousness of people in using natural medicines.

Though, the orientation of PAO is to serve innocent patients and to build a healthy nation PAO shows a continuous increasing profit flow. PAO believes that the altruistic motive associated with the venture (Mair& Marti, 2006) led to earn more profits since the venture is towards curing patients with quality medicines. PAO also claimed that they also provide an alternative delivery system for public services of health and community support (Harding, 2006). Thus, PAO pointed out altruistic motive to serve the society brings more customers and business opportunities to the venture leading to maximize profits or the economic wealth of the company owner.

Both two case studies showed a positive impact of social entrepreneurship in profit making. There, IAB has initiated the venture after seeing the lucrative business opportunity of being a social entrepreneur in profit making. Though PAO has initiated the venture with a social mission the company claimed being a social entrepreneurial venture is a lucrative opportunity to initiate a business as a profit earning business. When both PAO and IAB initiated the social entrepreneurial ventures as new venture creations (Mair& Marti, 2006) EBE has identified converting the venture into a social entrepreneurial business leads to earn profits.

Therefore, the current study suggests that social entrepreneurs discover and create opportunities and launch ventures to make profits, create wealth, or balance social and economic imperatives as argued by Alvarez and Barney (2007) (Elkington&Hartigan, 2008; Perrini, 2006, as cited in Zahra et al., 2008).

Therefore, the current study highlights the findings which that both EBE and PAO regardless the industry that they operate in could earn profits by being a visionary social entrepreneurial venture. Therefore, current study suggests that profit oriented private organizations can use social entrepreneurial practices as a mechanism of profit earning businesses with a vision.

As stated by Brooke (2010), Frank Knight's risk bearing theory discusses on possibility of insuring against an outcome and all the instances where entrepreneurs have subjective expectations about the future. There, the theory especially focuses at the uncertainty that an entrepreneur should bear and its recovery (Brooke, 2010). Therefore, the theory explains that entrepreneurs introduce and adapt to innovations seeking profits

as a reward to the uncertainty that they have to bear. Proving the relevance of the theory with social entrepreneurship in profit making, both two case studies expressed that the ventures are initiated or renovated aiming profits and sustainability rather operating as charities (Brinckerhoff, 2000). Therefore, the current study suggests that social entrepreneurship can be used to earn increasing profits for the company.

Managerial implications

The study highlights several important practical implications for managers. These, managerial implications delineate the value of social entrepreneurship in organizational context. Thus, conclusions of the study bring out important avenues in managerial decision making. As the predominant contribution, the study suggests that social entrepreneurship can be used as mechanism in creating increasing profits by exposing to new business opportunities; attracting new customers with a sustainable competitive advantage.

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