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## What are the Value and Purpose of Social Entrepreneurship? : A Qualitative Approach on Social Entrepreneurs in Indonesia

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### Abstract

*This research explores creation of value and purpose of social entrepreneurship using qualitative approach. This research was conducted because up to these days there are contention everywhere in regard to the value and purpose of social entrepreneurship, particularly regarding the reason that drives a person to be a social entrepreneur, the targeted goal to achieve and the condition as well as their existence in performing their activities. In addition, there are growing phenomena in social entrepreneurship activities causing this scientific contention regarding the value and purpose preserved by the social entrepreneurs up to now. This research utilized an exploratory qualitative method that aims to conduct basic research on the value and purpose of social entrepreneurship as performed by the social entrepreneurs in Indonesia.*

*The result showed that the value and purpose of social entrepreneurship was not limited to social value and purpose only, but it had long gone beyond normative value and purpose such as social and economic values. Moreover, it is interesting that there was a new finding on the value and purpose of social entrepreneurship, in this research. However, not only as mixing of values, but the value and purpose of entrepreneurship are also meant as an exchange of economic, social and spiritual values that take significant effect and go beyond the desired value and purpose to achieve by these social entrepreneurs.*

## 1. INTRODUCTION

Discussing the theory and practices of social entrepreneurship means that we shall talk about creative ways to resolve social problems encountered by social entrepreneurs by focusing on the issues unresolved using other theories. (Paina, 2018) defined social entrepreneurship as a process that aims to target social change and mission development as

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driven by social business. (Peppin, 2009) stated that the social entrepreneurs are likely to be motivated by the achievements of social purposes they want to pursue. These entrepreneurs experienced a considerable level of satisfaction when they were able to resolve any social problems happened together with the community. Moreover, (Nowak ,A and Praszkie, R, 2012) defined that there are several type of persons who may experience a significant satisfaction and are powerful enough to change the world even though they need to take unusual ways in pursuing their goals. These kind of persons are quite rare and in general possess diverse character. Sometimes we fail to recognize their existence. But when we take a look at the things they have done and the achievement they obtain, we will realize that they are amazing people. The question is, if they are the groups or individuals with different characteristic, what drives them to execute their social activity? And what kind of things that differentiate these type of people to other social entrepreneurs? Undoubtedly we will eager to identify the entrepreneurship dimensions they own, see (Irawan, 2019). These questions, shortly, underlie this research.

Next, we shall talk about research findings regarding social entrepreneurship. There are value and purposes that come up stronger as experienced and stated by these social entrepreneurs: spiritual value and purposes. Spirituality is considered as the most important asset that shall be possessed by social entrepreneurs in performing their activities.

## 2. LITERATURE REVIEW

### 2.1.Value and Purpose of Social Entrepreneurship

However, should we discuss the theory and practices of social entrepreneurship, we shall talk about creative ways to resolve social problems encountered by social entrepreneurs by focusing on the issues unresolved using other theories, (Alter, 2004). The most effective social entrepreneurship is the one with healthy financial state and social feedback than imbalance profit, with one side holds higher profit compared to the other one (Thompson, J. & Doherty, B, 2006).

The term of social entrepreneurship is defined as an innovative and effective activity focusing on fixing market failure, creating a brand new opportunity to increase social value systematically using multiple organizational format and resources to maximize social impact



and to motivate changes (Nicholls, 2008). It means that there are new spirit and paradigm where an activity with social purpose can blend and be embedded to business activity without interrupting each other.

Moreover, social entrepreneurship dimensions are still pleasing to discuss and interesting to observe for some researcher. This is due to contexts, actors and phenomena of which each of them shows different roles in their respective existence in place. Social entrepreneurship dimension as disclosed by (Dees, 1998), (Drayton, 2002), (Bornstein, 2004), (Hammond, 2005) that focused on: (1) social mission, (2) social change, (3) action, (4) innovation, (5) accountability, (6) adaptation, and (7) learning became critical references for researches on social entrepreneurship. See also (Mair, 2006), of which their dimension focusing on: (1) social vigilance, (2) social business, and (3) social responsibility. The next findings came from Praszkie and Nowak who revealed that there are five dimensions in social entrepreneurship that focused on: (1) social mission, (2) social innovation, (3) social change, (4) entrepreneurship spirit, and (5) personality. All of these dimensions indicated that social entrepreneurship concept are still dynamically active and growing. Such things are acknowledged by Nichols who proclaimed that social entrepreneurship is a field that seeks its own definition which later on turns into initial practice and research aiming to explore and develop its concepts. According to Nichols, it is agreed that social entrepreneurship concept is still going to grow along with constantly changing phenomena regarding its context and diversity of its individuals or groups characteristic. We conducted this research enthusiastically, as we wished for this research to suffice as a reference for the next researchers, particularly in regard to social entrepreneurship relevant to human resources for these social entrepreneurs themselves.

However, social entrepreneurship is an important aspect to be delivered as inclusion program for social purposes that prioritize empowerment and aid for the community in needs and marginalized, see (Vidovic, 2018). The presence of social entrepreneurship as an alternate solution to resolve social problems that brings different value and purpose for each social entrepreneur. However, this turns social entrepreneurship as a unique, creative, and inclusive program that is suitable for any country. See (Kibler, 2018) and see also (Hervieux, 2010),. Social entrepreneurship may be regarded as a generator of social welfare for the community and considered as innovative program with value and purpose that focus on community's social welfare (O'Neil .I, 2016) and see also (Ruebottom, 2013).



### 3. RESEARCH METHOD

This research utilized an exploratory qualitative method of which purpose is to conduct basic research, which later on, will be regarded as a reference for the next research (Creswell, 2016). The data collection was conducted using observation and in-depth interview to 12 entrepreneurs with different social business and social practice. Other data was taken by literature review taking source of scientific journals and documents collected from social organization and government that acted as analysis units.

NO	NAME	ORGANIZATION	FOCUS
1	Theopilus	Book for Papua	Education
2	Micha Urbinas	Book for Papua	Education
3	Dian Setyowati	Book for Papua	Education
4	Roslina	Individual	Education
5	Frangky Gunawan	Individual	Health
6	Agus Setiawan	Individual	Health
7	Riana Anjarsari	Individual	Community Empowerment
8	Gina Fredericha	Individual	Community Empowerment
9	Anton Waluyo	Individual	Community Empowerment
10	Diah Sujatmiko	Individual	Community Empowerment
11	Wahyudi Burhan	Indonesian Disaster Volunteer	Community Empowerment
12	Syarif	Indonesian Disaster Volunteer	Community Empowerment

**Table 1** : Participants Criteria

### 4. FINDINGS AND DISCUSSION.

This research found three different cases in social entrepreneurship category that became the analysis unit in this research, namely:



#### **4.1.A social entrepreneur who runs a social business**

In this social entrepreneurship case, we found that most social entrepreneurs started their journey from zero in terms of knowledge on social entrepreneurship. They started to act as their heart heard this ringing 'calling' to help the people around them. In this category of social entrepreneurship, in doing their activities, they applied the general social entrepreneurship principles, i.e., by mixing business principles and social principles (charity) where they established a business unit by selling handicraft products from the society that they lent their hand to via social media. These crafts were offered via social media in form of charity so that the customers would purchase their products and pay the price above they had initially quoted. Customers will prioritize the charity purpose than their own needs or interest to the products sold. At first, this category had no business experience compared to online business. However, the social entrepreneurs self-taught themselves of such business principles by learning and asking their friends and colleagues currently running online businesses. The profit they gained from this business was allocated to support social activities they currently performed.

#### **4.2.Social entrepreneurs who own business not for social activity**

As for the next case, we found a type of social entrepreneurs who establish a business of which its profit is not allocated to support their social activities. The profit they gained was allocated to strengthen their own economic state. If one day the concerned one left the house for community works, the family they left behind would still survive in terms of their economic state so that their mind would be at ease in doing their social activities. Even though they took a small portion of the profit for their social activities, most profit gained from the business were used to support their family's economic stability.

#### **4.3.A social entrepreneur who does not run any social business**

In this case, social entrepreneurship is not only defined as mixing between merely social principles and economic principles. In accordance to their principles, social business they were currently running was used to obtain financial support outside of their environment





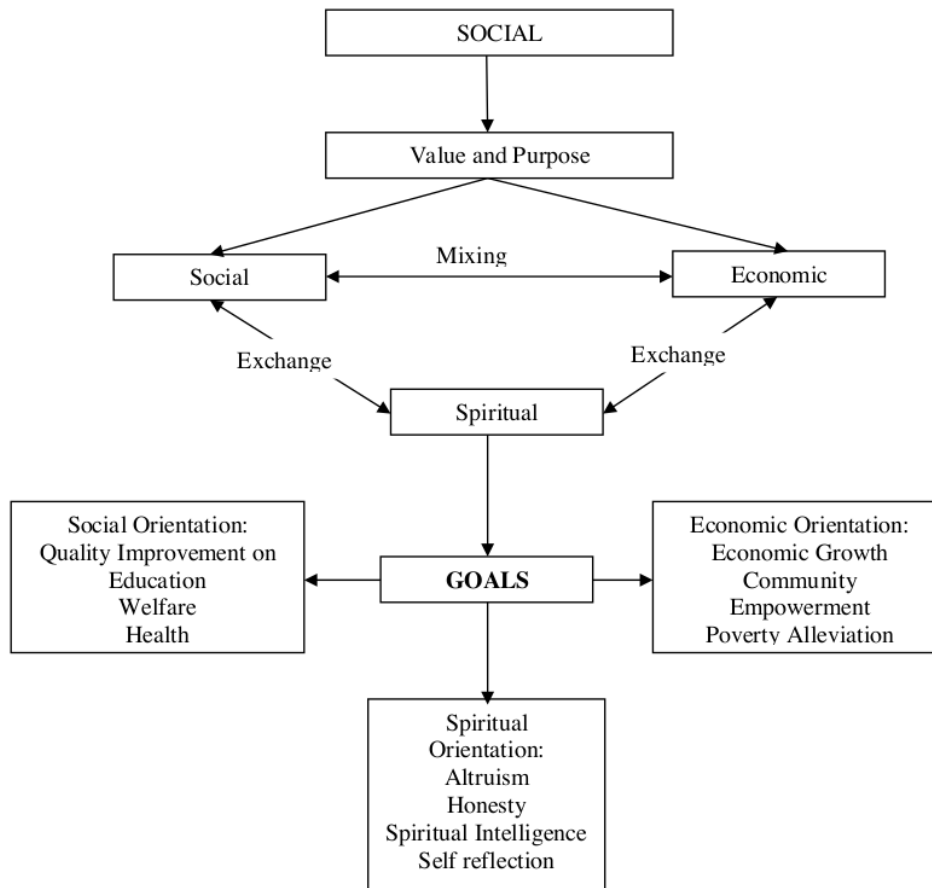
They did not need to do the activities that were based on economic principles only, such as selling products or service, which later on will be offered to the customers by offering the items so that the customers will be interested to purchase as well as to donate for the social activities currently conducted. According to them, the businesses they've established put forward other social businesses such as building trust to other people based on honesty, sincerity and sacrifice they've exhibited to others so that it formed point of interest on other people's mind to 'entrust' their donation to these social entrepreneur as a form of charity. Trust, sincerity and sacrifice they owned in their world were interpreted as 'product' or 'service' with 'sale' value and were considered priceless compared to anything since not all people possess these three aspects. From their point of view, their effort in gaining funds was seen as a form of "social entrepreneurship" even though it was not practically observed like any social business that uses economic principle, where the products or service are tangible and defined by appropriate price quotation, although both businesses shared the same purpose in their social activities and purposes. The effort to "sell one's self" in positive way that they've built put forward principles of trust, sincerity and sacrifice for noble purposes.

Those three cases may be defined in a way that social entrepreneurship is not merely mixing social and economic principles. Further than that, in their own world and point of view, it is a matter of soul calling, humanity, maintaining trust, spirituality and the desire to keep learning social aspects. These dimensions are inseparable aspects that completed each other while elevating one's social entrepreneurship sense. Social entrepreneurship is not merely a set of business activities aiming for social interest only. In their world, social entrepreneurship is a whole set of effort they have done to gain other people's interest so that people will voluntarily involve themselves, either directly or indirectly, in social activities as driven by their soul calling, humanity, trustworthy personality, and their spirituality as well as their desire to socially learning. Therefore, people shall automatically set their eye to these activities and have themselves participated, either morally or materially, in charity with these social entrepreneurs.

However, they strongly believed that all people possess the sense of humanity, faith and spirituality, but not all of them get this soul-calling and opportunity to socially learn just like what they did. Therefore, they presented themselves and worked as well as tried to help and

to provide a "space" for other people to show social dimensions they possessed like soul-calling, humanity, faith, spirituality and socially learning through the activities they did.

**Figure 1:** Process of Value Mix and Value Exchange in Social Entrepreneurship



Referring to figure 1, it is clear that social entrepreneurship is not only focusing on the social and economic values and purposes, but it is also managed to go beyond normative values by achieving the spiritual value and purpose as possessed by those social entrepreneurs. Moreover, the previous theory and opinion as expressed by Dess also Nowak and Prazskier and also see (Henderson, 2018) about social mission in social entrepreneurship is considered as business acts aiming to help resolving social problems within a community. In fact, the most applicable and significant mission in running their social business for these local social workers is spiritual mission (Akhtar, 2015). However,





it did not really show that social mission was a critical part in social entrepreneurship, practically, which also became a responsibility as a professional for a social entrepreneur.

#### **4.4.Social Entrepreneurship as Social Practice Support**

Social entrepreneurship existence in this category is defined as a learning process in business world, mainly by utilizing social media. Social entrepreneurship provides a brand new knowledge in online business world, mixed with its social practices. At first, these social entrepreneurs did not know anything about social entrepreneurship as how to build their social business units. However, by constantly learning they finally were managed to grasp that social entrepreneurship is a method or a way for particular people to help other people in need as well as a way to convince the community to learn together and establish symbiosis of mutualism through social entrepreneurship. The business unit established are meant to gain financial profit that shall be allocated for social practices requirements even though their business unit is slightly different from the conventional business that prioritize bigger profit taken from products for sale. However, this social entrepreneurship, by the means of business unit established, supported them to empower and expand social practice coverage. It is all due to the financial stability as a result of their business unit that facilitate them to move freely using supported funding and information technology utilization like social media.

#### **4.5.Social Entrepreneurship as A Value Exchange**

The second category is a social entrepreneurship by establishing business unit of which purpose is not to support social practices. The research found a number of cases from several social entrepreneurship showing that the business established is not meant to fund their social practices. Instead, they established these business unit to support their own family's economic needs. Hence, their years of experience in social entrepreneurship and taking parts in community works requires them to leave their home for a considerable period of time. This responsibility creates new demand that they should find a way to guarantee the family's financial stability while they're away. Therefore, they established these family business of which the profit gained will be used to fulfill their own needs. It can be understood that the financial stability of such family will also guarantee the focus and dedication of these social entrepreneurs in doing their community works and social practices to help other people



without too much distraction of family matters. It is clear that these people exchange their time and energy for social works with business purpose in social entrepreneurship practices. Financial gain from this business is not used for their social purpose, instead, to support their own family economic needs.

The research also found that there is other value exchange in social entrepreneurship where the economic value is altered with social value just like what some social entrepreneurs do. It is completely different from most social entrepreneurship in terms of business establishment, where the profit is purely used for supporting the social practices and purposes, as what common social entrepreneurship does. This reality, that occurs to a part of social entrepreneurship, which exchanges financial profit with social advantage as a way to facilitate their social practices, is significantly different from the social entrepreneurship theory and practices that 'should' put forward the profit fully to fund their social purposes. These difference is considered as an interesting finding which may contribute to social entrepreneurship existence and reality point of view as applicable and defined up to now.

#### **4.6.Social Entrepreneurship as A Value Mix**

In reality, social entrepreneurship shall presenting themselves with their own purpose to achieve the social and economic value as applicable to other social businesses. However, the reality on some social businesses in Indonesia in understanding the meaning of social entrepreneurship is not merely to achieve the social and economic value. More than that, social entrepreneurship has nobler and deeper meaning: to achieve spiritual value. The purposes to achieve spiritual, social and economic value are illustrated from the characteristics, activities and how these social workers understand their works. The spiritual, social and economic activities in social entrepreneurship is the mixing of interrelated value that affects each other.

This value mix in social entrepreneurship is a characteristic of common social entrepreneurship. However, this mixing is generally limited to the mixing of social and economic values. The result shows that the mixing is actually not limited to those two aspects. There is a new value contained in social entrepreneurship, i.e., spiritual value. Spiritual value in social entrepreneurship is outlined as the main purpose embedded in the



character, activities and definition of social entrepreneurship to a number of social entrepreneurs in Indonesia that become the subject of analysis unit.

## **5. CONCLUSION**

This research exhibits that there is difference in the reality of social entrepreneurship existence applicable to social businesses in Indonesia. The mixing between economic and social value as applicable in general social entrepreneurship is not entirely applicable to social businesses in Indonesia. These social entrepreneurs have an added value in running their social businesses, i.e., spiritual value, that differentiate the reality of social entrepreneurship in Indonesia from the other ones in general, as expressed in the theory delivered by Nowak and Praszkiec as well as Dees and also Peppin, that put forward the mixing of social and economic value.

Moreover, we may conclude that the reality of social entrepreneurship existence of social businesses in Indonesia is real and applicable in accordance to the fact and events occurred and observed during the field study. The reality of social entrepreneurship existence in Indonesia may be defined as: (1) social practice support, (2) value exchange, and (3) value mix.

## **6. LIMITATION AND FUTURE RESEARCH**

In terms of limitation, this research lacks of time, since it only took period of 1 year to conduct this research. Ideally, such research needs 3 years of period to complete in order to dig deeper the phenomena and characteristics of social entrepreneurship operated by the subjects and informers, so that the result presentation may contribute significantly bigger to the theory and definition of social entrepreneurship. However, it is expected for other researchers to develop this research's findings as a fundamental for the next research in the future.



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