

A CRITICAL APPROACH OF SOCIAL ENTREPRENEURSHIP THEORIES

Cristian PIECU

ORCID: <https://orcid.org/0009-0005-6524-7279>
University of Craiova, Craiova, Romania
E-mail: piecucristian@gmail.com

Florin-Aurelian BIRCHI*

ORCID: <https://orcid.org/0000-0002-0753-0704>
University of Craiova, Craiova, Romania
E-mail: birchi.florin.n7w@student.ucv.ro

Ramona-Cristina GHITA

ORCID: <https://orcid.org/0009-0003-0319-9975>
University of Craiova, Craiova, Romania
E-mail: ramonacristina19@yahoo.com

Patricia Cristiana BORUZESCU

ORCID: <https://orcid.org/0009-0007-0687-2714>
University of Craiova, Craiova, Romania
E-mail: boruzescupatrice@gmail.com

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Abstract:

Along with the evolution of society, the theories of social entrepreneurship have also evolved, and the aim of our research consists of the critical analysis of the theories related to entrepreneurial intention with a particularization of social entrepreneurship. Our research results led us to conclude that the Theory of Planned Behavior (TPB) is still a dominant theory used to measure entrepreneurial intention. However, the resource-based theory is much more oriented toward creating a genuine motivation for social entrepreneurs to transform their ideas into a social project, and the resources that the community makes available to the entrepreneurs have the potential to stimulate them to fulfill social goals. Consequently, the emotional feature of the social entrepreneur contributes to the promotion of entrepreneurial behavior oriented towards solving a specific social need of the community or society.

Keywords: Social Entrepreneurship, Theory of Planned Behavior, Stimulus-Organism-Response Theory, Resource-Based Theory.

* Corresponding author

1. Introduction

The difference between traditional and social entrepreneurship is the objective towards which the entrepreneurial actions are directed. Thus, social entrepreneurship orients its actions towards producing benefits for as many members of society as possible, implying the community's involvement through a collective effort, while traditional entrepreneurship is a process focused on obtaining profit.

The dominant theories of entrepreneurship have also been customized for social entrepreneurship, retaining some elements related to the ability of entrepreneurs to recognize and effectively capitalize on opportunities. As a result of the complexity of entrepreneurial behavior, an essential source of entrepreneurial opportunities is knowledge and ideas because an entrepreneur with more knowledge will more easily recognize entrepreneurial opportunities.

We will analyze the theories of social entrepreneurship in connection with the role that social coaches have in solving the problems faced by a community or even society; in this sense, Davis et al. (2021) even mention a dual role that they analyze through the two actors (i.e., principals and agents) involved in agency theory.

We mention that social entrepreneurship represents a solution for many problems faced by humanity, such as:

- the refugee crisis – including Europe is facing this phenomenon, and in order to solve this social problem, in addition to social entrepreneurs and governments, non-governmental organizations (NGOs), civil society as a whole must be involved,
- poverty - it is a scourge that is difficult to eradicate, but through a concerted action of multiple actors, this scourge can be diminished,
- climate change – their effects being felt all over the world (for example, tsunamis, tornadoes, torrential rains with hail, earthquakes), being caused by massive and uncontrolled deforestation, intensive agriculture and pollution,
- the elderly – with the increase in the retirement age, it will be more and more difficult for the elderly to find a job and secure the financial resources necessary for living.
- From the point of view of creativity, making the most of emerging opportunities, agility, the courage to start a business, and taking risks and leaving the comfort zone, the social entrepreneur does not differ from the traditional entrepreneur. The difference lies in how success is perceived. Thus, the success of the social entrepreneur is measured by the performance that society has achieved and uses the principles of entrepreneurship to arrive at ingenious solutions for social problems. In contrast, the success of the traditional entrepreneur is evaluated according to the profit achieved (Burlea-Schiopoiu, 2014).

A simple search of the keyword *social entrepreneurship theory* generated 7,817 sources from the Web of Science Core Collection, demonstrating that the topic has aroused and still arouses intense interest in theory and practice.

Figure 1 shows the connection between *social entrepreneurship theory* and representative keywords for the entrepreneurial domain.

Therefore, TPB emphasizes the ability of the social norm imposed by society to lead to the realization of the intention of the social entrepreneur in creating a social organization.

The TPB was the foundation for several models, such as Krueger and Carsrud's (1993) model which promote intention as a function of feasibility and willingness to act, and it is a complementary model based on the Entrepreneurial Event Model of Shapero and Sokol (1982).

Theory of Bounded Rational Planned Behavior (TBRB) was developed (Ashraf, 2017) by combining the TPB, the Theory of Reasoned Action (Ajzen and Fishbein, 1977) and the Theory of Bounded Rationality (Simon, 1986).

The elements of rationality guide the behavior of individuals, because individuals present limited personal interest, rationality, and willpower, which creates barriers to the manifestation of a specific type of behavior. Therefore, individuals use psychological shortcuts and rules of thumb to help make decisions (Simon, 1986).

Krueger and Carsrud (1993) believe that a good perception of the entrepreneurial process is achieved through a constructive approach to the link between ideas and action. The social entrepreneur's intention to carry out entrepreneurial activities, as well as the emotional side of the entrepreneur, has been studied (Paramita et al., 2022).

Social entrepreneurial intent underlies the creation of public and private value because social entrepreneurship is a complex process that occurs in both the public and private sectors that carries risks through which social entrepreneurs use private resources to provide a public good that responds to the needs of disadvantaged members of the community or contributes to solving environmental problems.

In analyzing social entrepreneurial intention, the line of demarcation between public and private value is challenging to draw (Mihai et al., 2018). Therefore, moral obligations consist of the extent to which entrepreneurs feel morally bound to get involved in solving the problems of socially marginalized people as a consequence of the moral norms and values promoted by society (Paramita et al., 2022).

The perceived social support reflects the relationships, including social capital and human capital, that social entrepreneurs build with stakeholders to fulfill the mission and social purpose, having the potential to trigger entrepreneurial intention (Sousa-Filho et al., 2020). Therefore, non-rational, emotional, and empathic aspects are essential in social entrepreneurial decision-making.

Personality traits, creativity, and demographic characteristics (e.g., age, gender, and education) are predictors of social entrepreneurial intention (Ip et al., 2017; Politis et al., 2016).

3. Stimulus-Organism-Response Theory

The stimulus-organism-response (SOR) theory developed by Mehrabian and Russell (1974) is based on a sequential mechanism that contributes to the understanding of the complexity of human behavior because cues from the external environment act as stimuli (S) that trigger the internal cognitive and emotional organism of individuals (O), inspiring specific behavioral responses (R).

Stimulus is any environmental or external cue that influences the internal states of individuals, especially emotional and cognitive states, which motivates both the social entrepreneur and the traditional entrepreneur to actively engage in social change and integrate their values normative, ethical, and personal with business principles, wanting to maintain a balance between financial benefits and social impact. Consequently, social entrepreneurs' emotional and cognitive states have a powerful impact on managing social entrepreneurial intentions and behaviors due to external stimuli. The relationship established between entrepreneurial intention and the manifestation of a specific social entrepreneurial behavior is based on a wide range of behavioral responses to the needs of society, which is embodied in the employment of entrepreneurs in social projects.

The existing gap between intention and behavior in social entrepreneurship means that the intention, even if substantial, only sometimes bears fruit in a social entrepreneurial project (Ip et al., 2017). Consequently, social entrepreneurial intention must be measured long before behavior is measured because there is a time lag between the manifestation of the intention and its implementation (Meoli et al., 2020).

4. Resource-Based Theory

Resource-based theory (RBT) has as a leitmotif that an organization's access to valuable, rare, hard-to-replicate resources assures a competitive advantage (Barney, 1991). In the context of this theory, entrepreneurial intentions, especially for social entrepreneurs, are limited by access to resources.

Organizations are evaluated by the resources they employ because, through these resources, it is considered that, on the one hand, the organization proves that it can obtain high profits itself through the way it uses its resources, and on the other hand, it demonstrates its ability to manage risk and innovation (Burlea-Schiopoiu and Idowu, 2016).

Barney (1991, p. 102) stated that competitive advantage is achieved when an organization has used its resources to implement a value-creating strategy that is not simultaneously being implemented by any other current competitor or potential. Therefore, for an organization to have a sustained competitive advantage, competing organizations must give up trying to imitate the thriving organization, and in this case, the competitive balance produces added value.

The resource-based theory has the role of analyzing the unique resource capabilities of an organization and how it uses them as a basis for developing a strategy that takes into account both the challenges of the internal environment, but especially the dangers from the external environment, and competitive advantage comes from the organization's ability to allocate and exploit a combination of its available resources.

Moreover, the resource-based theory offers the opportunity to understand the entrepreneurial process. Therefore, it is suitable for its application in countries with a developing economy, as is the case of Romania, due to its focus on the generation of competitive advantage and the preservation of this advantage as long as possible.

Resource positions and configurations can be used to characterize a community's ability to generate entrepreneurial activity and economic benefits from this activity. However, it must be considered that each community has a physical

connection to its local natural resources and may also have other institutional resources (i.e., schools, hospitals, cultural institutions) or supporting infrastructures (i.e., roads).

We note that resources have value to the community that wishes to encourage entrepreneurial organizations only to the extent that these resources become attractive to potential entrepreneurs.

In Romania, we are faced with two phenomena that disfavor entrepreneurial activities:

- the exodus of young people abroad, where they are attracted by better-paying jobs,
- the exodus of young people from the village to the city, where they can choose from various jobs.

We observe that under these conditions, Romania, as a country, and the rural communities compete with other communities and, therefore, must be concerned with creating or efficiently exploiting resources to stimulate entrepreneurship, especially social entrepreneurship.

5. Conclusions

In conclusion, theories related to social entrepreneurship consider human behavior due to the cost-benefit efficiency relationship. However, social entrepreneurial behavior is motivated by non-rational, moral, ethical, and emotional determinants and cannot be considered only the result of rational decision-making processes and deliberate (Yitshaki et al., 2022). That is why, until now, all other theories related to social entrepreneurship have focused on the personality of social entrepreneurs, personal traits, and previous experiences (Zaremohzzabieh et al., 2019; Salavou and Cohen, 2020).

The dominant theories of entrepreneurship have predominantly focused on the ability of entrepreneurs to recognize and capitalize on opportunities, leading to the predominant analysis of why entrepreneurial behavior differs from one entrepreneur to another.

Research in the field of social entrepreneurship has focused mainly on recognizing opportunities and forming resources as processes that favor the emergence of new social organizations (Burlea-Schiopoiu, 2016). Consequently, regardless of social entrepreneurship theories, human behavior should be considered a central element of entrepreneurial social success. Moreover, social entrepreneur behavior is motivated by non-rational, moral, ethical, and emotional determinants and cannot be considered only as the result of rational and deliberate decision-making processes.

To date, resource-based theory has focused on what the community provides to the entrepreneur to stimulate him to implement his entrepreneurial idea. In contrast, all other theories have focused on social entrepreneurs' personalities, personal traits, and past experiences.

Future research will be oriented to the factors that influence the social entrepreneur and direct him to the creation of social value, and, in this context, we will also analyze the mode of governance (democratic or authoritarian) that social organizations will adopt.

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