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## Research Article

### PROBLEMS AND PROSPECTS OF SOCIAL ENTREPRENEURSHIP IN TAMILNADU

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#### ABSTRACT

This study has been endeavoured to test the various problems and prospects of social entrepreneurship. This study observed the intensity of social entrepreneurs with respect to social development, problems and prospects associated, and social welfare measures in balanced development. The findings of the study were based on the sample of 100 social entrepreneurs. Sampling was carried out by interviewing randomly selected social entrepreneurs with the employment of non-disguised and structured questionnaire. Questionnaire was designed with four parts, such as demographic profile on social development, problems of social entrepreneurs, prospects of social entrepreneurs and social welfare measures. Collected data was analyzed by using chi-square test, weighted score analysis, Kendall's coefficient of concordance and mean score analysis. This study was concluded that the social entrepreneurs have to face various problems in social entrepreneurship and enjoys many prospects on social entrepreneurship.

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#### INTRODUCTION

Social entrepreneurs are the individuals who have novel solution for the different social problems existing the social system, mainly which have been abandoned by various agencies. They are extremely motivated, making effort to solve problems in the social system or making social change. Social entrepreneurs attempt to resolve the social problems by planning and executing the change in the society, implementing these solutions, and spreading these enhanced solutions in the society. Social entrepreneurs are dedicated for the transformation they desire to create in the society for the people wellbeing in a big way. They are futurist but simultaneously realist, trying to realize the pioneering solutions for the social problems. Social entrepreneurs are the local change creators. Moreover, social entrepreneurs are the real role models to many people by initiating positive development measures in the society, which consecutively influence them to execute their own ideas for the social welfare. Social entrepreneurs mostly motivate people to channelize their resources to establish social change. Commercial entrepreneur assists the nation by making the economy by making profit whereas the social entrepreneurs make changes for the social development and increase standard of living of the people. Social entrepreneurs attempt to develop

the social system with their innovative ideas and make suitable solutions for social development and removing problems. Social entrepreneurs committed to find solutions for cultural, social and environmental problems of the society.

##### Statement of the Problem

Social entrepreneurship is a very helpful event as it deals with the base of the pyramid of market by presenting products and services, which are both pioneering and economical. Making the products available to deprived part of the market and making profits from them. The customers of social enterprises are belonging to very low income people, who have least amount income but maximum demands, social entrepreneur's mechanism such a product or services which can speak to both the criteria of this market segment which is usually referred to as base of the pyramid market. In a nutshell, social entrepreneurship fills the gap which is left unattended by economic entrepreneurship. It makes profit in opposition to social services by selling distinctive and inventive services to abandoned segment of customers, assisting them develop and increase the standards of living, while social entrepreneurs create money out of it. Therefore, social entrepreneurship is just another kind of entrepreneurship with certain characteristics, including making profits, selling, and

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innovation. But distinction is, it is not totally depended on the profit making, rather it focuses on social changes and social development over personal gains. Social entrepreneurs are motivated by social in addition to financial goals whereas non-profit organizations work simply for social purpose.

## REVIEW OF LITERATURE

Galushka (2013) revealed that social enterprise is in a promising way to resolve pressing social and economic problems and the focus of social innovation. Kireeva (2011) expressed that primary measures for the development of social enterprises should be the development of a proper legal framework for regulating their activities and develop mechanisms to attract businesses and the public to solve social problems. Nabatova (2014) focused on the challenges of raising funds at the initial stage of development of social enterprises, the lack of special programs providing credit and debt, so introduction of a social enterprise needs support from the government through financial and credit mechanisms. Dees (1998) divulged that social entrepreneurs habitually appear to be possessed by their ideas, committing their lives to altering the way of their field. They are visionaries, but also pragmatists, and are eventually concerned with the realistic execution of their vision. Mair & Marti (2006) stressed that individuals engaging in social entrepreneurship are typically referred to as social entrepreneurs, a term that explains resourceful individuals working to make social innovation. They do not only have to create opportunities for social change, they must also collect the resources essential to turn these opportunities into authenticity.

## RESEARCH METHODOLOGY

This study has been conducted with 100 social entrepreneurs and the survey is conducted in Tamilnadu. Descriptive research design has been implemented to conduct this seminal work. The sample is identified from the people involving social development initiatives in various places of the state. Sampling is managed by interviewing randomly selected social entrepreneurs over a period of two month time period. The data is collected by presenting a structured and non-disguised questionnaire. The survey instrument is constructed with four parts, the first part deals with demographic profile of social entrepreneurs, second parts seeks different problems of social entrepreneurs, third part contains prospects of social entrepreneurship, and fourth part covers social welfare measures of social entrepreneurs. The required primary data are collected during October and November 2018, which are carried out after detailed pre-testing. Pre-test assist to ensure reliability, consistency, and sufficiency in an examination of the study are. It used chi-square test, weighted average score, Kendall's coefficient of concordance, and mean score analysis for data analysis and testing hypothesis formulated. Moreover, necessary secondary data has been collected from various published sources.

### Objectives of the Study

This study has been initiated on accomplishing the following objectives:

1. To test the relationship between demographic profile of social entrepreneurs and their interest on social development.

2. To check the different problems of social entrepreneurs with regard to social development.
3. To find out the various prospects of social entrepreneurship in developing deprived society.
4. To find the social welfare measures of social entrepreneurs in order to bring balanced development.

## RESULTS AND DISCUSSIONS

### Interest on Social Development

Social development mainly needs support of local people and involvement of social entrepreneurs. If there is any deviation in the support or interest of local people and social entrepreneurs, there is no chance to make social development. Social development should require proper attention and interaction of social entrepreneurs in order to develop deprived segment. Therefore, such measures will pave the way to increase social development. Therefore, in this direction, chi-square test has been implemented to measures the relationship between demographic profile of social entrepreneurs and their interest on social development. Accordingly, null hypothesis ( $H_0$ ) states that there is no significant association between demographic profile of social entrepreneurs and their interest on social development. The results are provided in table-1.

**Table 1** Chi-Square test on Interest on Social Development

Demographic Profile	Variables	Score					Chi-square	Result
		SDA	DA	N	A	SA		
Gender	Male	24	19	17	7	1	18.36	Rejected
	Female	12	8	9	3	0		
Age	18 - 25 years	9	9	8	3	1	42.52	Rejected
	26 - 35 years	7	7	11	2	0		
	36 - 50 years	9	3	3	2	0		
	More than 51 years	11	8	4	3	0		
Monthly Income	Less than 10,000	10	10	9	4	1	43.28	Rejected
	10,001-25,000	8	7	9	2	0		
	25,001-50,000	11	6	3	2	0		
Educational Qualification	More than 50,001	7	4	5	2	0	28.54	Rejected
	School education	15	12	14	6	1		
	Under graduate	11	7	7	2	0		
	Post graduate	5	4	3	1	0		
Occupation	Others	5	4	2	1	0	25.35	Rejected
	Business	11	7	6	4	1		
	Self-employed	10	8	4	2	0		
	Political activities	9	5	8	3	0		
	Retired/Housewife	6	7	8	1	0		

(Source: Primary data)

It is found that table-1; the chi-square value is more than the table value at 5% level of significance for all variables. Therefore, this framework directly supports the alternate hypotheses. Hence, there is a significant association between the demographic profile of social entrepreneur and their interest on social development. It is also revealed that the majority of the respondents (68%) are male social entrepreneurs, 30% of the respondents are between 18-25 years of age. Similarly, majority of the respondents (34%) are in the income group of less than Rs.10,000 per month. Educational qualification demonstrates that (48%) are completed school education and occupation of respondent shows that (29%) are belonging to business category.

### Different Problems of Social Entrepreneurs

Social entrepreneurs face several problems while serving to unprivileged segment. Therefore, different problems of social entrepreneurs are analysed through Weighted Average Score

(WAS) analysis; here variable problems are investigated. A questionnaire containing eighteen variables on the social entrepreneurs is presented with 100 respondents, who are serving deprived community. The respondents are asked to rate their agreement on each variable on a five point Likert scale, according to the problems derived from the social entrepreneurship. Score value '1' is assigned for strongly disagree, '2' for disagree, '3' for neutral, '4' for agree and '5' for strongly agree, then weight score is divided by total respondents to get weighted average score. The problem level of the respondents is calculated for each variable. The variables are categorized as variable of high, moderate and low depends upon the value assigned and explained in table-2.

**Table 2** Weighted Average Score Analysis

Level of Problems	Variables	SDA	DA	N	A	SA	WAS
High	Lack of government support	3	7	11	14	65	4.31
	Problems with local people	5	8	12	18	57	4.14
	Lack of financial support	4	16	9	11	60	4.07
	Poor response from local people	9	8	11	16	56	4.02
	Political problems	9	8	12	16	55	4.00
	Confusion with social work	8	12	13	20	47	3.86
Moderate	Lack of evidence	10	12	11	18	49	3.84
	Commercial assumption	9	11	12	16	52	3.83
	Lack of ethical framework	12	9	14	19	46	3.78
	Elevating individuals	11	12	11	21	45	3.77
	Shortage of talented workforce	8	12	21	15	44	3.75
	Problem of creativity	15	8	22	15	40	3.57
Low	Poor interaction	14	19	17	11	38	3.37
	No planning	18	18	19	10	35	3.26
	Legal restrictions	30	14	19	10	27	2.90
	Low awareness	35	15	17	9	24	2.64
	No recognition	36	16	18	9	21	2.63
	Demographic variation	35	18	17	10	20	2.62

(Source: Primary data)

It is found that in table-2 among eighteen variables considered, simply five variables are fallen in high level problem category. Consequently, other nine variables are organized in moderate level problem category and residual four are falling under low level problem category. Therefore, lack of government support is the prime satisfaction factor, which fetches 4.31 points, problems with local people (4.14), lack of financial support (4.07), poor response from local people (4.02), and political problems (4.00) are also falling under high problems category.

Moderate level problems consists of nine variables, such as, confusion with social work (3.86), lack of evidence (3.84), commercial assumption (3.83), and lack of ethical framework (3.78) to the social entrepreneur. Moreover, elevating individuals (3.77), shortage of talented workforce (3.75), problem of creativity (3.57), poor interaction (3.37), and no planning (3.26) have significant influence on social entrepreneurship. Similarly, legal restrictions (2.90), low awareness (2.64), no recognition (2.63), and demographic variation (2.62) cause low level problems to the social entrepreneurs. Success of social entrepreneurship is relied on various factors and social development is not possible without social entrepreneurship.

**Prospects of Social Entrepreneurship**

Prospects of social entrepreneurship among different segment people are examined. This study considered the prospects such as, initiatives of development institutions, NGO's training, creation of awareness, social entrepreneurship in higher education, and provision of infrastructure. Moreover, development programmes, funding support, government project, public felicitation, and awards are considered as important prospect of social entrepreneurship. The prospects are numbered from 1 to 10 in order to perform analysis by using Kendall's coefficient of concordance. Kendall's coefficient of concordance ascertained the degree of association among numerous (k) sets of ranking of N factors. It is considered a suitable measure of studying the degree of relationship among three or more sets of rankings. At this point five sets of rankings used to work out the coefficient of concordance. So as to make sure its validity, the null hypothesis (H<sub>0</sub>) states that there is no significance difference in ranking by the social entrepreneur functioning in different areas.

As N is larger than 7,  $\chi^2$  worked out to determine the W's significance at 5% level.

$$\chi^2 = k(N - 1) \cdot W \text{ with } N - 1 \text{ degrees of freedom}$$

$$= 5(10 - 1)(0.5564)$$

$$= 25.038$$

The table value of  $\chi^2$  at 5% level for (N - 1 = 10 - 1) 9 degrees of freedom is 16.919. Therefore, calculated value is 25.038, this is significantly greater than the table value. This does not support the null hypothesis at 5% level of significance. It is inferred that there is a significance difference in ranking by the social entrepreneur functioning in different areas.

**Table 3** Kendall's Coefficient of Concordance

K = 5	Factors										N = 10
	1	2	3	4	5	6	7	8	9	10	
Urban	1	3	2	4	6	6	6	8	9	10	
Semi-urban	1	2	3	4	5	6	7.5	7.5	9	10	
Rural	1	2	3	4	5	6	7	8.5	0	8.5	
Hills area	2	1	4	4	6.5	6.5	4	8	0	0	
BPL	1.5	1.5	3	5	4	6	7	8	9	10	
Sum of ranks (R <sub>i</sub> )	7.5	9.5	15	21	26.5	30.5	31.5	40	27	38.5	$\Sigma R_i = 247$
(R <sub>i</sub> - $\bar{R}_i$ ) <sup>2</sup>	295.8	231.0	94.0	13.6	3.2	33.6	46.2	234.0	5.2	190.4	<b>s = 1147.6</b>

$$W = S / 1/12k^2(N^3 - N)$$

$$= 1147.6 / 1/12(5^2)(10^3 - 10) = 1147.6 / 25/12(990)$$

$$= 1147.6 / 2062.5 = 0.5564$$

(Source: Primary data)

Social welfare is an important requirement to social entrepreneurs. In social system, all inhabitants are not treated equally, which leads for violation of law or grievance among deprived segment. The existence social welfare measures of social entrepreneurs are studied. The data is collected through five point scale and if the mean score is falls more than 4.0 it is assumed as high importance, if it relies between 3.0 - 3.99 is considered as medium importance, if the score falls less than 3.0 is assumed as low importance. Accordingly, social welfare measures of social entrepreneurs in order to bring balanced development are analyzed by using mean score analysis, which is presented in table-4.

**Table 4** Mean Score Analysis

Measures	Mean	Std. Deviation	Rank	Importance
Government support	4.25	0.93	1	High
Legal protection	3.48	0.97	5	Medium
Funding assistance	4.02	1.05	3	High
Neighborhood recognition	2.53	0.93	9	Low
Local people involvement	2.14	1.08	10	Low
Promotional support	3.45	1.16	6	Medium
Equality	2.86	1.33	8	Low
Amenities	3.03	1.37	7	Medium
Local citizenship	4.16	0.92	2	High
Social inclusion	3.83	1.16	4	Medium

(Source: Primary data)

It is clear that in table-4; different social welfare measures exist to assist social entrepreneurs. Social welfare measures shows that government support (4.25), local citizenship (4.16), and funding assistance (4.02) are high social welfare measures to the social entrepreneurs. Followed by social inclusion (3.83), legal protection (3.48), promotional support (3.45), amenities (3.03) are ranked as medium level social welfare measures. Finally, equality (2.86), neighbourhood recognition (2.53), and local people involvement (2.14) are ranked as low level social welfare measures. This trend reveals that measures from government are considered better to the social entrepreneurs. Therefore, social entrepreneur should deploy development activities so as to ensure balanced development.

## CONCLUSION

Social entrepreneurs render effective social service in order to develop deprived segment in the society.

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Demographic profile reveals that 68% of the respondents are male, 30% of them are in the age group of 18-25 years. Similarly, 34% are in the income group of less than Rs.10,000 per month, 48% are completed school education, and 29% are belong to business occupation. Chi-square test shows that there is a significant association between the demographic profile of social entrepreneur and their interest on social development. The major problem distress social entrepreneur consists of lack of government support, problems with local people, lack of financial support, poor response from local people, and political problems. The various prospects of social entrepreneurship include initiatives of development institutions, NGO's training, creation of awareness, social entrepreneurship in higher education, and provision of infrastructure. Furthermore, development programmes, funding support, government project, public felicitation, and awards are considered as important prospect of social entrepreneurship. Kendall's coefficient of concordance does not support the null hypothesis that there is no significance difference in ranking by the social entrepreneur functioning in different areas at 5% level of significance. Social welfare measures are mainly relied on government support, local citizenship, and funding assistance to social entrepreneurs. It is concluded that the social entrepreneurs have to face various problems in social entrepreneurship and enjoys many prospects on social entrepreneurship.

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