The Role of Social Entrepreneurs in Sri Lanka

Nimeshi, G.K.S.¹, Surangi, H.A.K.N.S.²

¹,² Department of Commerce and Financial Management, Faculty of Commerce and Management Studies, University of Kelaniya

¹nimeshis@kln.ac.lk, ²surangins@kln.ac.lk

Abstract

In recent years, there has been a growing body of literature on social entrepreneurship, yet researchers in developing countries have not adequately explored this field. This qualitative study delves into the role of social entrepreneurs in Sri Lanka, examining how they operate and the factors influencing their choices. Grounded in social reality and aligned with social constructionist philosophy, the research engaged ten selected social entrepreneurs through interviews and applied thematic analysis to interpret the data. The findings reveal valuable insights into the strategies employed by social entrepreneurs in starting and managing their enterprises. Individual and social factors such as family background, experience, social networks, and religion significantly influence the decision to become a social entrepreneur. The study's developed model bridges subjective experiences of social entrepreneurs with existing literature, contributing to a deeper understanding of how social entrepreneurship is practiced and constructed.

Keywords: Social Entrepreneurship, Social Constructionism, Qualitative, Narrative

Copyright: © 2023 Nimeshi, G.K.S., Surangi, H.A.K.N.S. This is an open-access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Correspondence: nimeshis@kln.ac.lk

ORCID of authors: Nimeshi, G.K.S. - https://orcid.org/0000-0002-6586-0875
Surangi, H.A.K.N.S. - https://orcid.org/0000-0002-2671-2212

DOI: https://doi.org/10.4038/kjm.v12i3.7767
Introduction

The emergent field of social entrepreneurship is proliferating and attracting increased attention from many sectors. Despite increased interest in social entrepreneurship, scholarly research has been challenging. Since definitions of social entrepreneurship have been developed in several domains, such as not-for-profits, for-profits, the public sector, and combinations of all three, a unified definition has yet to emerge (Weerawardena and Mort, 2006). Researchers revealed that social entrepreneurship as for-profit companies operated by non-profit organizations (Zahra, Gedajlovic, Neubaum, and Shulman, 2009), while others limit social entrepreneurship to non-profit organizations (Lasprogata and Cotton, 2003), or organizations that create a firm at a financial loss (Boschee, 1995). Still, some other authors equate social entrepreneurship to philanthropy (Ostrander, 2007). In this setting, the definition of a social entrepreneur in the study is an entrepreneur with a central and explicit social mission (Dees and Elias, 1998), motivated by the need to make a difference. It is a person who identifies an urgent, prominent or essential social need and harnesses social faith, innovation and business wisdom to meet that need.

In recent years, the establishment of social enterprises in developed countries has increased rapidly compared to developing nations. For example, 9 per cent (9%) of the U.K. small business population are social enterprises, and 6.6 per cent of the population in the U.K. is involved in some activity that is focused on community or social goals, either as a start-up venture or as owner-managers of that venture (Sharman, 2017). According to the project “Finding Australia’s Social Enterprise Sector (FASES)”, there are at least 200 000 Australian social enterprises (Barraket, Mason and Blain, 2016). There are approximately 270,000 social enterprises (Levie, 2018), even though social enterprises are relatively new in Switzerland compared to its neighbouring countries (Adam, Avilés, Ferrari, Amstutz, Crivelli, Enrico, and Zoebeli, 2016). Singapore too has around 401,000 social enterprises (Wong, 2017), and this sector has grown by 32 per cent over the past year, with 401,000 registered social enterprises - up from 303,000 enterprises in 2016 (Singapore Centre for Social Enterprise on 19th August 2017). According to a 2016 Asia Venture Philanthropy Network (AVPN) report on the status of Asian social enterprises, only 5,300,000 social enterprises have been identified in China, and the majority are SMEs (Ding, 2017). This is the situation of a few of the top ten developed countries in the world. However, the case in developing countries is different to this.

The estimated number of social enterprises in Sri Lanka is between 5,000 6,000 (British Council, 2018). One research related to Sri Lankan social enterprises was carried out by Lanka Ventures and Social Enterprise U.K. with support from United Nations ESCAP and several other partners. This study found that only 25 social enterprises are currently active, focusing on important issues in society. The following table shows the number of social entrepreneurs in developed countries and Sri Lanka and the population’s percentage. It depicts, when compared to developed countries, Sri Lanka has very few social enterprises.

Table 01: Number of Social Entrepreneurs

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of Social Entrepreneurs</th>
<th>Social Entrepreneurs as a % of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>471,000</td>
<td>0.7%</td>
</tr>
<tr>
<td>Australia</td>
<td>200,000</td>
<td>0.8%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>270,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Singapore</td>
<td>401,000</td>
<td>7.0%</td>
</tr>
<tr>
<td>China</td>
<td>530,000</td>
<td>0.3%</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>6,000</td>
<td>0.02%</td>
</tr>
</tbody>
</table>
As in the table, in Sri Lanka, it is a minimal number compared with developed countries. Social entrepreneurship is how entrepreneurs tailor their activities to be directly tied with the ultimate goal of creating social value (Saifan, 2012). According to literature, the main objective of social entrepreneurship is to solve social problems. Sri Lanka and other developing countries are facing a lot of social and economic issues. Hence, developing countries need social entrepreneurs the most.

The worldwide growth of social entrepreneurship has been driven by the creation of international challenges such as broadening wealth difference, social funding not reaching all those who are in need (Saifan, 2012), and the global nature of social deprivation (Ostrander, 2007). Thus, social entrepreneurship provides a possible answer for delivering services to poor and disadvantaged people considering these global challenges. Therefore, social entrepreneurship offers the promise of a solution to the challenges of the worldwide community in general and developing nations in particular. Social entrepreneurship is particularly important to Sri Lanka because the country faces many challenges of inequality such as poverty, unemployment and gender discrimination (Surangi, 2018). Further, social enterprises are simultaneously competing to achieve two different conflicting domains, namely social and commercial. However, both incompatible activities often lead to tensions, making social enterprises fragile organisations at the risk of mission loss. Therefore, this inductive qualitative narrative study, responds to the recent call in the literature on how to mitigate such challenges by focusing on how they do and what influences of creation of social enterprises and find the answers for the overarching research problem of the study of, “What is the actual role of Social Entrepreneurship in Sri Lanka?” This small context-specific study would be helpful to shed light on the specific social enterprise practices in Sri Lanka. The findings presented to highlight the uniqueness of social enterprise in the Sri Lankan context.

**Literature Review**

The term “social” refers to initiatives aimed at helping others (Prabhu, 1999). Social entrepreneurship might be different from commercial entrepreneurship in that commercial entrepreneurship is associated with the profit motive (Cole, 1968). Moreover, according to Cole (1968), social entrepreneurship is an expression of altruism. Cole (1968) argues against such a dichotomous line of thinking for two reasons. Firstly, social entrepreneurship is based on ethical motives and moral responsibility (Bornstein, 2004). Secondly, and more importantly, entrepreneurship in the business sector also has a social aspect (Venkataraman, 1997). When considering successful social entrepreneurship ventures around the world, the Grameen Bank concept in Bangladesh, the Aravind Eye Hospital in India and Sekem in Egypt reveal a common feature: all three creatively combine resources (resources that often they do not possess) to address a social problem and thereby alter existing social structures (Mair and Martí, 2006). The introduction of the Grameen Bank concept has changed millions of disadvantaged people by bringing financial support to the poor, particularly women. It helps them establish profitable businesses to fight poverty.

Social entrepreneurship globally involves the application of innovative and sustainable business approaches to address social and environmental challenges (Goyal, 2021). Social entrepreneurs aim to create positive change by developing and scaling solutions that are both financially viable and socially impactful. Over the years, there has been a growing recognition of the role of social entrepreneurship in tackling global issues. Trends include an increasing emphasis on impact measurement, the rise of social impact investing, and the integration of technology for social innovation (Bhawe, N, Jain, T.K, & Gupta, V.K, 2007). Sri Lanka has witnessed a growing interest in social entrepreneurship as a means to address various social and environmental issues. The
sector has seen the emergence of innovative solutions and initiatives aimed at creating positive impact (Yapa, 2022). The Sri Lankan government has shown interest in supporting social entrepreneurship through policy initiatives. The promotion of social enterprises is often seen as a way to address social issues, generate employment, and contribute to sustainable development (Yapa, 2022).

As in the literature, social entrepreneurs often employ hybrid business models that blend elements of both for-profit and nonprofit structures. These models allow organizations to generate revenue through business activities while simultaneously addressing social or environmental issues (Austin, 2006). Moreover, Social entrepreneurs explore creative financing methods beyond traditional grants and donations. This includes impact investing, social impact bonds, and other financial instruments designed to attract capital for achieving social objectives (Yunus, 2-30).

The theory of social entrepreneurial personality explains particular characteristics of the social entrepreneur. According to Saifan (2012), social entrepreneurs have unique characteristics, such as mission, emotionally charged, change agent, opinion leader, social value creator, socially alert, empathetic, and highly accountable. According to him, innovation, dedication, initiative-taking, leading, opportunity alert, persistence and commitment are the characteristics that are most likely to be found in both types of entrepreneurs. According to studies following characteristics of social entrepreneurs, social entrepreneurs are characterized by exceptional traits (Drayton, 2002), extraordinary leadership skills (Thompson and Mueller, 2000), a passion for realizing their vision (Bornstein, 2004), and a solid ethical behaviour (Bornstein, 2004; Drayton, 2002).

Social enterprise spectrum theory suggests that social enterprises can be differentiated and located on an opposed scale between purely philanthropic (non-profit enterprises, which aim at generating a high social return) and purely commercial (for-profit enterprises striving for a maximum financial return) (Drayton, 2002). They developed the social enterprises’ business model as hybrid models that exist between these two extremes. Stakeholders have different benefits and returns depending on these three categories (purely philanthropic, hybrid, purely commercial). The general motive of purely charitable organizations is that they are mission-driven. Their methods and aims entail the appeal to goodwill and the creation of social values. Beneficiaries do pay nothing for their product or service offers. Purely commercial organizations are entirely market-driven. Their methods and aims appeal to self-interest, including the creation of economic values. Customers will pay fair market prices, and the main objective is to increase the profits. So social enterprises have a hybrid model, and in this domain have mixed motives. Their methods and aims embrace a balance of social mission and market orientation to create social and economic value. Beneficiaries (customers) pay subsidized rates for the goods or services, or there is a mix of full payers and those who pay nothing.

From the social entrepreneurial ecosystem perspective theory, social entrepreneurship can be categorized into a few dimensions, namely, social orientation, market orientation, innovation and opportunity (recognition & exploitation) (Volkmann and Tokarski, 2012). Essential elements of the social entrepreneurship framework are society, economy, politics, culture (including ethics, norms and values) and the regulatory framework. Furthermore, several types of stakeholders (e.g. employees, suppliers, media, investors, competitors, customers, non-governmental or non-profit organizations, state and public) are critical elements of the system (Volkmann and Tokarski, 2012). The social entrepreneurial ecosystem reduces a structural disequilibrium, creates value, solves a social
Nimeshi, G.K.S. and Surangi, H.A.K.N.S., KJM, 2023, 12 (03)

problem, assumes risks, deals with asymmetric information, allocates resources, creates new jobs and generates tax revenues.

Financial risk and profit were consistently highlighted themes in the literature. Very few social entrepreneurs had made use of their funds (Shaw, 1998). Significant numbers of respondents identified charitable trusts and government as vital financial sources. This suggests primarily that participating social enterprises have multiple sources of funding. Secondly, concerning budget, there is a significant difference between social and business entrepreneurs. While personal and family sources have been identified as key financial contributors to commercial enterprises' financing, these sources were very rarely used by participating social entrepreneurs.

Literature revealed that most social entrepreneurs have prior experience in management and managerial skills. Scheer, (2007) proved that the quality of being entrepreneurial, defined as a combination of role perception and administrative practice in social enterprises, is shaped by the managerial background. In the same vein, Thompson, Alvy, and Lees (2000) conclude that fostering more social entrepreneurship by bringing people who have the necessary leadership skills and confidence together with people who possess innovative ideas is recommended.

Networking and social capital have been identified as key themes within social entrepreneurship research literature. The importance of networking was already addressed at the individual level and reoccurred as a theme at the process level. Consequently, considering the local nature of the opportunities recognized by social entrepreneurs, it was not surprising that the networks of social entrepreneurs and social enterprises emerged as a key research theme (Shaw, 1998). Analysis of literature found that for social entrepreneurs, social enterprises, networks and networking were important for many of the same reasons, such as acquiring market and customer information, identifying opportunities and providing introductions to possible funding sources and generating local support for the enterprise (Carson, Cromie, McGowan, and Hill, 1995).

Analysis of literature relating to the role and position of founding social entrepreneurs revealed a variety of opinions. The majority of entrepreneurs agreed to describe themselves as “social entrepreneurs”. However, they believed their role to be central to the founding and sustenance of their enterprise (Shaw, 1998). Furthermore, according to literature, while many individuals described themselves as social entrepreneurs and perceived themselves as the driving force behind their enterprises, the structures adopted and the involvement of beneficiary groups and other stakeholders question the influence of individual entrepreneurs (Shaw and Sara, 2007).

In this setting, it is suggested here that research and analysis of social entrepreneurship are best approached from multiple perspectives to capture its complex and hybrid nature. In this study, this research gap is addressed in the context of the developing world as researchers carried out few studies in developing countries. Moreover, social enterprises in developing countries operate in a more resource-constrained environment compared to developed countries. Therefore, findings would be different from the developed world. The second research gap this study aims to address is the lack of qualitative research, particularly narrative designs for social entrepreneurship. Therefore, it was necessary to conduct qualitative research to get an in-depth and rich understanding of social entrepreneurial behaviour and its role.

Methodology

The study was conducted using an inductive approach to achieve the main objective of getting rich and in-depth information. Despite the prevalence of quantitative studies
in this area, they fall short of capturing the true perspectives of respondents through questionnaires; hence, to dig deeper into the details and discover a richer understanding, researchers have selected the qualitative methodology for this inductive study, which aligns with Creswell’s (2007) characteristics of qualitative research. The primary aim here is not measurement but exploration, specifically, to uncover the role of social entrepreneurs in Sri Lanka. By considering the characteristics between the positivism and social constructivism views, the social constructivist approach is more suitable for this study as the reality is created with and through the relationships or interactions of social entrepreneurs. Moreover, it is believed that there are multiple realities and no pre-existing one. Hence, this validates the robust embracing of the social constructivism approach. Furthermore, an exploratory research design was used to provide an in-depth preliminary understanding of the role of social entrepreneurship. According to Creswell (2007), narrative research focuses on past, present and future phenomena, and it is mainly associated with individuals or with very few people. Moreover, in the narrative research, the researcher is requesting stories from the respondents. Which makes narrative analysis the best way to capture detailed stories of life experiences. This study has captured the experiences of social entrepreneurs in Sri Lanka. Hence, narratives are used as the most appropriate strategy.

Studies based on qualitative research designs primarily work with small samples that are mainly purposive rather than random (Miles and Huberman, 1994). Using small sample sizes enables intensive investigations of the problem (Miles and Huberman, 1994). Consequently, ten social entrepreneurs were purposively selected from three different provinces of Western, Central and North Central to provide information for this study, and this was decided after it came to the saturation point. Participants in the study are typically individuals actively engaged in social entrepreneurship and the researchers often aim for diversity in the types of social ventures represented among participants. This includes ventures in various sectors (e.g., healthcare, education, environment), stages of development (start-ups to established organizations), and geographical locations. The data for the study was collected through in-depth interviews and observations, and the average time of each interview was 50 minutes. The interviews in the study are typically semi-structured. It allows researchers to explore a range of topics while providing flexibility to adapt to the participants’ responses. For the post clarification, the average time of 30 minutes of phone conversations were carried out with the respondents. The verbal consent of all respondents was taken before the interviews, and the interviews were carried out at a convenient place for both interviewee and researcher. In the first stage of the interview, interviewees asked for a self-narration, and in the second stage, main interview questions were asked. Creswell (2007) proposes that narrative research can be analyzed in two ways: pure narrative or thematic method. For this study, thematic analysis was adopted to understand the whole picture of the phenomenon of social entrepreneurs and identify themes. Furthermore, The data triangulation, thick description and member checking strategies were used to enhance the trustworthiness of the research. Finally, the ethical procedure was applied throughout the research process, such as informed consent, pseudonyms and confidentiality of the data.

**Findings and Discussions**

The study derived different key themes by analyzing data and the researcher has done a cross case analysis in order to identify the themes. In the current study, the process of deriving themes from data is a fundamental part of the data analysis process. Themes are patterns or recurring ideas that emerge from the data and help to make sense of the information gathered from interviews, observations, or textual sources (Creswell & Tashakkori, 2007). Researchers initially engage in data familiarization by thoroughly reviewing the interview transcripts, to gain a
deep understanding of the content. They then apply open coding to identify and label meaningful segments in the data, followed by the categorization of related codes into broader categories. As the analysis progresses through constant comparison, overarching themes start to emerge, capturing recurring patterns, concepts, and ideas that are essential to understanding the research topic. These themes are refined iteratively, supported by relevant quotations, and interpreted in the context of the research question, ultimately providing a coherent and meaningful representation of the data's core elements in the research article. The derived themes are presented below under three research questions.

**How do social entrepreneurs run their businesses?**

In answer to this question, the researcher identified the following themes.

**Social Entrepreneurship Through Volunteering**

The situation about the employees of the respondents can be explained as follows.

*Respondent B:* “Now I have about 30 employees. Many of them are very poor, and they are delighted to work with us. And also, we have volunteers as well. So, I give priority to my employees. And we all work as a family. They help me anytime”.

*Respondent I:* “I have a good staff. Volunteers are also there. They are like my family and help me a lot”.

The above statements confirmed the finding of Mroß (2009), which is that social enterprises have both volunteers and payable employees. Moreover, those statements confirmed the results of Pearce (1993). According to Pearce (1993), employees of social enterprises are satisfied with their job and happy to work with their companies since the employee participation is very high, and they also have the chance to make decisions. Furthermore, Respondent A also explained that they are allowing their employees to turn their ideas into realities.

“I always try to do new things with my team. They have good ideas. And they have different ideas. So, when I make a decision, usually I involve them as well”.

Research studies from several viewpoints show that employee participation is very high in social enterprises (Pearce, 1993), and the current study findings also confirmed that. Moreover, the emphasis on social entrepreneurship through volunteering suggests a strong community-oriented approach in Sri Lanka, which aligns with international practices seen in community development and humanitarian initiatives (Campfens, 1997). The concept of volunteer-driven social entrepreneurship is common globally, and it often plays a crucial role in addressing social challenges. The approach in Sri Lanka may reflect the country's cultural values and community engagement (Campfens, 1997).

**Take Maximum Benefit from Limited Resources**

Controlling resources efficiently and effectively is one of the main tasks of an entrepreneur (Stevenson and Jarillo, 1990). The respondents of the study talk about resource control as follows.

*Respondent A:* “Many disabled people work with me. Others think it is to my disadvantage. But I see it as an advantage. Even though they are differently abled, they are very talented. So we need to know how to identify their capabilities and potential and get the most out of them”.

*Respondent I:* “One of the main problems I have is that I have islands to cultivate. I am living in Colombo. So, it is challenging to manage this problem. I try to take maximum usage from these limited lands and am currently finding new ways to cultivate, like vertical cultivation”.

![Creative Commons License](https://creativecommons.org/licenses/by/4.0/)
The above statement made by two respondents shows that social enterprises have limited resources and take maximum benefits from the resources. Accepting this, a study on social entrepreneurship leadership by Prabhu (1999) also found out that, although one of the main issues social entrepreneurs face is lack of resources, they manage limited resources very effectively. The focus on resource efficiency is particularly relevant in Sri Lanka, which has faced resource constraints, especially in the aftermath of conflicts and natural disasters.

The emphasis on resource optimization resonates with the international practice of achieving social goals with limited resources (Munasinghe, 2002).

Creating Jobs for Disadvantaged People

Literature on social enterprises rarely discussed job creation (Granovetter, 1985). However, the respondents of the current study talked about job creation. The following extracts provide an example of this:

Respondent A: “Many disabled people work with me”.

Respondent B: “I do lectures for the people who are in rehabilitation camps, after which I give them a job. Today, 60% of my employees are from them”.

Respondent D: “I started this in 2014. It's been six years now. Another group of people who have worked with me since 2014 have now started this too. That means they do this separately”.

Respondent H: “I have given jobs to a lot of people from rural areas”.

These findings suggest that social enterprises contribute to the economy while are creating jobs for disadvantaged or non-addressed people in society. Creating employment opportunities for disadvantaged populations is a shared goal with international social entrepreneurship efforts (Vereshchagin & Vakhrushev, 2022). Sri Lanka’s focus on this theme may be influenced by local unemployment and marginalization challenges. Various countries worldwide have social enterprises dedicated to providing job opportunities and skills training for marginalized groups. This is a common objective in social entrepreneurship globally (Vereshchagin & Vakhrushev, 2022).

Hybrid Business Model

Social entrepreneurs have one thing in common - they create value in society. Value creation, in turn, is delivered by an organization’s business model (Volkmann, Tokarski, and Kati, 2012). Crawford and Cantatore (2016) explained three types of business models: purely philanthropic, hybrid, and strictly commercial. According to them, strictly philanthropic organizations are mission-driven and aim to create social values. Beneficiaries pay nothing for their product or service offers, while purely commercial entrepreneurs are entirely market-driven with aims that appeal to self-interest, including creating economic values. Customers will pay fair market prices. Hybrid business models have mixed motives. Their methods and purposes embrace a balance of social mission and market orientation to create social and economic value. Beneficiaries pay subsidized rates for the goods or services, or there is a mix of full payers and those who pay nothing. Inductive data revealed that social enterprises have that hybrid business model in their businesses. As participants explained;

Respondent D: “Although I solve the social problems and, I make profits through this business”.

Respondent F: “we are solving social problems. But we do not have only social values. We have some kind of financial protocols to guide all the activities”.

According to the above statements, respondents of the current study have social...
Nimeshi, G.K.S. and Surangi, H.A.K.N.S., KJM, 2023, 12 (03)

and economic values in their businesses. Therefore, it accepts the findings of Alter (2007) and the following respondents confirmed those findings further.

Respondent G: “I have both profit orientation and social orientation. But mainly I am focusing on the maximization of social value”.

Respondent I: “I make profits while providing value to society. This is about both profit and social value maximization, I think”.

Respondent J: “Yes. This is a social business. But I am earning profits”.

These findings suggest that social enterprises identify and meet both social and economic values and have hybrid business models. The adoption of a hybrid business model aligns with international trends, where social enterprises combine for-profit and social mission-driven aspects. This approach allows for sustainability and scalability while addressing local social issues (Boyer, Gudauskas, & Hamel, 2023).

Run the Business by Increasing Knowledge

Researchers suggested that the high failure rate of social entrepreneurs is the lack of information and knowledge required to identify opportunities locally. Thus, knowledge is critical for the success of social enterprises (Shaw 1998). The current study participants also initially lack knowledge, but they develop their expertise and gather the required information using different methods. The following extracts provide evidence of participants’ experience about knowledge of them:

Respondent A: “Firstly, I got the knowledge that I want, and I talked with entrepreneurs and different organizations. And also, I followed different courses related to entrepreneurship”.

Respondent D: “It was a little difficult at the beginning because I lack basic knowledge. Then the fashion centre helped me with that. That’s how the bamboo tree is boiled. I practised it. It was a great relief for me”.

Respondent I: “I did so many experiments and increased my knowledge. I also did professional courses related to business management”.

The findings suggest that the knowledge level of social entrepreneurs in Sri Lanka is deficient at the start. However, they have developed their knowledge to run the business successfully by confirming the findings of Shaw (1998). Ongoing learning and knowledge acquisition are fundamental aspects of social entrepreneurship worldwide. This theme is consistent with the emphasis on capacity-building in other countries.

Different from NGOs

Social businesses are thus submitted to the “non-distribution constraint”, which is more typical of not-for-profit organizations or NGOs (Hansmann, 1980). However, unlike not-for-profits, social businesses are required to raise all their incomes and recover all their costs through the market, not through philanthropy or public funding. The following extracts further confirmed it.

Respondent D: “As I said earlier, I started this with the guidance of the NGO that I worked with. But I do not run this as an NGO. They do not earn money. Although I solve the social problems, I make profits through this business”.

Respondent F: “We are not an NGO. We are involved in solving social problems in our country. That is a business for total nonviolent social transformation”.

By emphasizing that social enterprises are not NGOs, it should be noted that social businesses have social and economic values. The distinction or overlap between social
entrepreneurship and NGOs varies from one country to another (Lepoutre, Justo, Terjesen, & Bosma, 2013). International research shows that this issue is not unique to Sri Lanka, as it's influenced by factors such as legal structures and cultural perceptions.

**What are the influencing factors for a person to become a social entrepreneur?**

Factors that influence the behaviour and inclination of entrepreneurs possibly differentiate based on literature. According to Gurol and Atsan (2006), those influential factors can be viewed as individual, social and environmental factors. Under the current study, researchers have found similar reasons for social entrepreneurs to start their ventures under individual and social factors.

**Individual Factors**

Individual factors can be defined as those that focus on a person's personality characteristics, which are embedded with the person (Gurol and Atsan, 2006). The researcher has identified the following five individual factors.

**Inclined to Religious Activities**

Recent studies argue that the attitude toward entrepreneurship is one of the channels in which religion might affect economic performance (McCleary, 2018). However, the influence of religious factors on entrepreneurship is a poorly understood phenomenon because the relationship is indirect and complex. However, the respondents of the current study talked about their religion, and according to them, it was a reason for them to start a social enterprise. Each of the interview extracts below is provided as the examples:

*Respondent B:* “We do a lot of religious activities with the help of temples, Aranya and monks. And I am working a lot on religious books. So it motivates me to do this business. This is my life. Not a business”.

*Respondent F:* “I have a high religious background. So, I like to do religious activities. That is why I started this kind of business”.

Although literature does not touch on religion and social entrepreneurial activities, the current study's findings suggest that an inclination to do religious activities influences a person to become a social entrepreneur. While religious motivations can influence social entrepreneurship globally, the specific religious and cultural contexts may vary. In some countries, social enterprises with religious affiliations are common, whereas in others, secular or non-religious motives prevail (Nyaupane, Timothy, & Poudel, 2015).

**Nature Lover**

Engagement with the environment and love are essentially practical ways of knowing and living with the surrounding world (Herva, 2006). However, literature rarely discusses environmental engagement with entrepreneurship. Thus, this study’s findings provide a new contribution to the literature with the suggestion that social entrepreneurs are nature lovers and they have a close relationship with the environment, and it motivates them to start their carrier as social entrepreneurs. The following extracts are examples of that.

*Respondent C:* “I love the environment. So, I wanted to do something for the environment that gives me life and breath, rather than earning something. That is why I do this”.

*Respondent D:* “My mother’s hometown is Bandarawela. I would love to go there when I go there. But, I was discouraged about the environment in Colombo. Also, I have loved animals and the environment since I was a child. So, I wanted to protect that environment and show the beauty of the environment to others. And this business helps me give others a chance to feel the beauty of that environment”.

---

![Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License](https://license.creativecommons.org/publicdomain/1.0/de/de.png)
Respondent E: “I loved nature. So, I was allowed to climb trees and discover Sri Lanka to be taken to the forest and the jungles. So, it was always very close to nature because I loved it and I love it today as well”.

Respondent G: “Doing something to protect my environment is giving me the highest happiness in the world. So, I love to work with organizations that are following the green concept. That is also a reason for me to start this business”.

According to the above statements made by the sample respondents, they have a strong relationship with the environment, and that relationship influences them to start a social enterprise. Suresh, and Ramraj, (2012) talked a bit about this in their study. According to them, social entrepreneurs are the major contributors to social and environmental degradation. A strong connection to nature may manifest in social enterprises that address environmental conservation and animal welfare issues. This reflects the importance of the natural environment in Sri Lanka and the significance of wildlife conservation (Gurău & Dana, 2018).

Love Animal

This theme provides a new contribution to social entrepreneurship literature. However, research studies on the personality of the social entrepreneur suggest that they have the capability of putting themselves in another’s shoes (Volkmann, Tokarski, and Kati, 2012). According to Christine et al. (2012), it is cognitive empathy that means the ability to perceive the emotional state of others. Confirming this, respondents of the current study talked about the animals, and they can feel the state of animals. Moreover, it was a reason for some respondents to start their business since their business supported them to help animals. The following statements prove that.

Respondent C: “We are all born with nature and animals. So we should love them.

Respondent E: “I love animals. I just kept seeing them all over the roads, and I wondered why nobody cared about them; after all, it is a life. They also have a heart, and they have a soul, feelings, they feel hunger, they have everything just like us. So why don’t we care? They also have a life”.

The above statements proved that they have a strong relationship with animals, and they do love them. Especially the main reason for respondent E to start her business is to protect animals. The following extract provides evidence of Respondent E’s perceptions about animals.

“I had a lot of rabbits, and back when I was schooling, I used to come and count them. So, we always had a lot of; actually, we lived very much in the city. But we always had a lot of animals, chickens and ducks and a lot of birds and squirrels that I used to rescue, treat and release. So, we were constantly surrounded by animals and I was an animal lover from birth.

The above statement has proved that loving animals is one prominent reason entrepreneurs start their careers as social entrepreneurs.

As a Hobby and for Joy

“Entrepreneurs are parents, and ventures are babies”, concludes Agnieszka (2019), and nothing can be more authentic for ventures that emerged from a hobby or recreational activity. Famous examples of hobby-based funders include yoga instructors, personal chefs, travellers, and photographers attracted to self-employment primarily because they love their chosen leisure activity (Demetry, 2017). Respondent E also started the business as a hobby, and the following statement depicts how the respondent explained it.

“I am somewhat future-oriented. It’s the rest of the years ahead of me, and it was just for fun and like a hobby that I started it”.
The extract explains that she started her business as a hobby, and it makes her happy. According to Demetry (2017), engaging in work related, enjoyable and satisfying activity is particularly relevant in the case of hobbyist users, where lifestyle benefits can be significant. The following respondents further proved these findings.

Respondent H: “Actually, my first objective of starting this business is my happiness. I started this as my hobby first”.

Respondent I: “Doing something new is my hobby actually. So, in the beginning, I did not mean to start a business like this. I just tried this”.

The above extracts also show the apparent widespread occurrence of the hobby as a source of entrepreneurial activity. However, this subject remains understudied, and thus, this finding provides a new contribution to social entrepreneurship literature.

To Value Others

The social entrepreneur is driven by a compelling social vision that encapsulates a strong sense of obligation and destiny towards valuing others and fulfilling basic human needs (Brooks, 2009). According to Brooks (2009), social entrepreneurs always love others and have started their businesses for this reason. The findings of the current study further proved it.

Respondent E: “I think all lives are special or lighting to be valued and on all hearts are one and so I just thought that they were the ones that I want to support

Respondent F: “every human being has a right to life and to live in dignity. He or she has a right to decide his or her future. I wanted to give people that right. That is why I do this”.

Respondent H: “I always respect others. I think that to gain respect, we need to respect others. So, I do not underestimate anyone and always try to let them know their value”.

The above statements given by the respondents depict that they are all providing value to others and valuing other people. Moreover, it suggests that they have started their businesses to respect others.

Social Factors

According to Gurol and Atsan (2006), social factors explain the personal background, family background, stage of carrier, early experience, and growth environment. The following sections explain those identified social factors which influenced the respondents to become social entrepreneurs.

Work With Social Networks

According to Shaw (1998), social networks are essential for social entrepreneurs to acquire market, get customer information, identify opportunities, provide introductions to possible funding sources, and generate local support for the enterprises. Furthermore, he said that working with social networks, NGOs, and charity projects motivated social entrepreneurs to start their ventures.

In particular, it emerged that for each founder interviewed, the networks in which they were embedded had been instrumental in creating awareness about local conditions and helping them identify local social needs that were not being met. The following extracts provide an example of this:

Respondent D: “We have an NGO, and I have been working with it for a long time. That’s how I started this. And also, the design centre helps me a lot”.

Moreover, analysis of interview data found that people are motivated to start a social enterprise by working on a social project. Respondents A and E supported in this regard as follows;
Respondent A: “Actually, from my childhood, I was a little different from the others. Some of my friends and even my family thought I had a mental problem. I have worked with several organizations. When the tsunami hit, when the bombings hit, I did a lot for the people with the help of NGOs. It inspired me to start a business like this”.

Respondent E: “I mean over the years, even throughout life, I always had a close combination with environmental and other animal-related projects and organizations”.

Looking at the statements made by respondents A and E, it is visible that working with social networks motivated social entrepreneurs to start their ventures. Thus, it works as an influencing factor for a person to become a social entrepreneur.

Family Background

Literature indicates that family offers significant support to encourage entrepreneurs. Most individuals identify and initiate new ventures from families having nurturing family contexts, rich in entrepreneurial role models and are supportive of new venture creation (White, Thornhill, and Hampson, 2007). This has been proved by respondent B;

“My father was a religious man. So, I grew up in a religious background. After marriage, it helped me a lot to go with religion because my father-in-law and mother-in-law were also very religious”.

In this way, the family background supports respondent B to start a business like this. Furthermore, he explained the financial support he received from the family.

“The main problem I had was money. I did not have money or the capital to start a business. So, my father-in-law helped me financially to start this business”.

Moreover, Scherer, Adams, and Wiebe, (1989). found that mother and father predominate all others. Below is the explanation of Respondent I, who proved that finding once again.

“My father is a farmer. I have been cultivating since I was a child. I like that. My whole family got together and grew what we needed to eat at home”.

The above extract suggests that family background can be drawn as an influencing factor not only to be a commercial entrepreneur but also to be a social entrepreneur.

Work Experience

According to Dell (2008), an individual’s past working experience influences decision-making and business performance. Moreover, Kolvereid (1996) found that those with prior experience in entrepreneurial activities have higher entrepreneurial intention than those with no previous experience. Therefore, the majority of the sample has taken advantage of their initial working experience in recognizing the opportunity to start a business as a social enterprise. Following are the statements made by two respondents regarding their prior working experience.

Respondent H: “The experience that I got from my jobs was beneficial to me to start this business. It would be one of the main reasons for me to go for this kind of business”.

Respondent J: “I worked in different jobs, and that experience was helpful for me to start this business. That is why I have selected this industry”.

Opposing these findings, respondent C had a different idea. According to respondent C, the main reason for starting a business was to have a bad job experience. He got frustrated from the job and therefore created a company to be his boss. Barringer and Ireland (2015) identified “to be their boss” as one of the main reasons to become an entrepreneur. However, this finding from respondent C
rarely can be found in the social entrepreneurship literature.

“I have done several jobs, and everything is related to my current business. Therefore, this experience helps me a lot to do this business. In particular, the unpleasant experiences I had in my past jobs motivated me to start this type of business”.

Hence, it is visible that prior working experience that entrepreneurs in the sample had, were a reason for them to become social entrepreneurs.

**Proposed Model for the Study**

Based on the themes derived from the study's data analysis, the researcher has proposed the following model. The proposed model of the study illustrates the role of social entrepreneurs in Sri Lanka. It comprises the reasons for individuals to become social entrepreneurs and how social entrepreneurs run their businesses. Thus, a general understanding of the role of social entrepreneurs can be obtained through the proposed model of this study since the literature on social entrepreneurship is still fragmented.
Volunteering Different from NGOs

Figure 01: Proposed model for the study
Conclusion and Future Research Agenda

The academic study of social entrepreneurship is in its infancy. This study draws on and intends to contribute to entrepreneurship literature by adopting a social constructionist approach to conceptualising a new form of entrepreneurship in the form of ‘social entrepreneurship’, and by contextualising the role of social entrepreneurship in the Sri Lankan context. This research also contributes to the small, but growing academic literature explicitly focused on social entrepreneurship. This study aims to offer a more in-depth and critical perspective than is currently found and challenge the normative nature of much of this literature. Further, the model developed in this study provides a starting point for empirical research on social entrepreneurship and can be used to create a testable hypothesis.

When considering the practical contribution of the study, several parties can have benefited from the model developed in the study. First, understanding the concept of social entrepreneurship is important for policymakers to effectively address social issues in the country. Second, according to the findings of the research, social entrepreneurs are ethical. However, commercial entrepreneurs are not like that, and they always do not do the right things since their main objective is to maximize profits (Hemingway, 2005). So a government can address that issue by explaining the importance of being right and contributing to the country’s sustainability. Furthermore, the government, other institutions and media can organize different propaganda to encourage social entrepreneurs and make them famous. Moreover, findings suggest that social entrepreneurs create jobs for disadvantaged people in society. This is a significant social issue in the country, and the government can address that issue with the help of social entrepreneurs. Moreover this study can help refine and expand the conceptual understanding of social entrepreneurship, bringing clarity to the definitions and boundaries of the field.

This study mainly focuses on the role of social entrepreneurs in Sri Lanka and uses a qualitative approach. Being a qualitative research study, the findings of the present study cannot be generalized. This research was cross-sectional, and interviews were conducted at once. Hence, it is proposed that longitudinal research over a more extended period be accomplished using a method such as ethnography to generate more valuable data. The study has identified influencing factors relating to social entrepreneurs which have ramifications for both theory and practice. However, it has not investigated the relative importance of the factors identified. Thus, it would be wise to place these in future studies, which would help policymakers supporting counselling interventions. Future, researchers can conduct action researches and help social entrepreneurs to manage their organizations and solve their problems. Furthermore, future researchers can conduct studies to compare the cultural differences and gender differences of social entrepreneurs. Thus, more research should be conducted on the social entrepreneurship setting to establish a rich literature base.
References


Bhawe, N, Jain, T.K, & Gupta, V.K. (2007). The entrepreneurship of the good samaritan: a qualitative study to understand how opportunities are perceived in social entrepreneurship. Paper presented at the BCERC.


Nimeshi, G.K.S. and Surangi, H.A.K.N.S., KJM, 2023, 12 (03)


Nimeshi, G.K.S. and Surangi, H.A.K.N.S., KJM, 2023, 12 (03)


Nimeshi, G.K.S. and Surangi, H.A.K.N.S., KJM, 2023, 12 (03)


Nimeshi, G.K.S. and Surangi, H.A.K.N.S., KJM, 2023, 12 (03)


Nimeshi, G.K.S. and Surangi, H.A.K.N.S., KJM, 2023, 12 (03)


