

From Social Innovation to Social Value Creation

Learning from Female Social Entrepreneur Movement in Indonesia

Prameshwara Anggahegari, Gatot Yudoko and Bambang Rudito

School of Business and Management, Institut Teknologi Bandung, Jl. Ganesha no 10, Bandung, Indonesia
{prameshwara, gatot, brudito}@sbm-itb.ac.id

Keywords: Social values, Social Innovation, Social Movement, Female Social Entrepreneur.

Abstract: This paper conveys social values creation as efforts initiated by female social entrepreneur in Indonesia. Their movements are seen as attempts to empower and create sustainable ecosystems, both in societal and economic system. This paper fills the gap in the literatures and provides conceptual model for the social values creation by suggesting social entrepreneurship business model, which entailing social innovations. Authors implemented mix methods by conducting integrative literature reviews and undertaking grounded approach within the data collection. It provides several major constructs of social empowerment, social sustainability, as well as social benefit. It shows that social innovation which were motored by several female social entrepreneur contributes to the social movement and have significantly proven in providing social benefits to the community. The conceptual model proposed by authors may further be used to develop social projects as well as giving insights for further research regarding social values creation through the process of social innovation.

1 INTRODUCTION

Social entrepreneurship is deemed important in alleviating both economic and social problems worldwide. This movement has presented quite important impacts and proven to create awareness in larger societies, as can be seen by the rocketing numbers of the social enterprise initiation, specifically in Indonesia. Numerous recorded change-making attempts, ranges from local until global context, have raised our interest within this area. Needless to say that the awareness of the concept of empowerment has also purportedly being translated into action by some people who has eagerness in not only develop themselves but also others.

Nevertheless, there is paucity within the literatures and the application, as well as the impact measurements. Research regarding social value creation, which are motored by female social entrepreneur, is very limited. Even if so existed, the mixed methods to create synergistic and robust studies are rarely used, since mostly only using one type of methods. In Indonesia, several social entrepreneurs have already being awarded and recognized by social entrepreneurs practitioners worldwide for their ability to tackle problems within their surroundings. Many of them, even though

sometimes constricted by the social structures, are female. Moreover, since in this country's majority of the kinship structures are patriarchal, female struggles were still ostracized and belittled. On the other hand, several reports on their attempts to help others has already recognized as another social movements which should be seen as their portion in the attempts to empowering others.

According to Ecosystem Danone, from around 7 billion people that currently live all over the world, more than half live in poverty, and 70% are female. This is quite align with Indonesia Central Bureau of Statistics, from around 250 million citizen, more than 27 million were in an impoverished condition (BPS, 2017). According to the Community-Based Welfare Monitoring Survey (SPKBK), more than half that are on the lowest income are households that were headed by female or put female as the main earner of the family. This figure shows that these female were facing numerous hardships due to their current condition and these several conditions has put these female into a destitutions circumstances. For example, Indonesia Marriage Law no 1 year 1974, which stated that females are not recognized as household head. Even though they have become household head due to several reasons, namely the passed away of their husband, divorce, polygamous husband, the law cannot ensure much to protect their needs.

Despite many female were being underrepresented, several others shows their potential and do help others through the empowerment initiative. In order to accommodate the social needs and problems that need to be tackled seriously, these female social entrepreneurs even change their purely-profit oriented business focus and target into social enterprises. These gestures are seen as social entrepreneurship, which is about channeling entrepreneurial activity towards solving social problems (Corner and Ho, 2011). Based on the huge number of female that can be seen as untapped potentials, authors seen that this is a major opportunity to practice the social entrepreneurship by entailing social innovation as one of the major point in order to create sustainability. It may be applied both on their social enterprises as well as in the community context that can be done through empowerment process. Thus, this research aim is to give clear understanding on the process of finding several points that were used to build initial construct for the model. This model was built by using deductive approach through integrative literature reviews. Meanwhile since it is imperative to see this measures be taken seriously by keeping a close observation, authors do the grounded approach. It is implemented in order to understand how does the empowerment process being implemented in grassroots level. Therefore, it may give more robust details in developing the conceptual model by using mixed method and may contribute to the social entrepreneurship and gender literatures.

There are few notions that differentiating sex and gender. Oakley (1972) refers sex to differences on the basis of biological characteristics, while gender is a symbolic or social difference that stems from gender differences. Therefore, it may be concluded that gender is defined as a social construction or attribute imposed on humans, which is built by culture. Despite their ability to position themselves in the organization successfully, these females were still trapped by male-culture where they need to perform harder to be acknowledged (Hakim, 1995). According to Jayawerdana (1976) patriarchal countries, such as Indonesia, consist of many ethnic variations in which influences each other depend on the cultural background.

Culture is taking a great deal of positions within Indonesia's religious majority in their day-to-day activities along with the importance of local wisdom. It is strongly believed that vested culture of Indonesia and diverse demographic which in some part is quite paternalistic, gives female barriers to pursue their career path. Even though the government has already

stated their gender mainstreaming process and measures have been taken, it still lacked in the implementation. As related with the sex and gender, the analysis in this research will be directed at individual, private, intrapersonal, self-reflective identity (Baumeister, 1998; Brown, 1998). The interpersonal, social, or relational self depends on connections between people (Andersen and Chen, 2002; Baumeister, 1998). The relational self can operate automatically to accommodate people in the particular social context (Chen, Boucher, and Tapias, 2006). Females have seen the concept of themselves as competent individuals who have potential to do more, both for them and for society. There are multiple reasons, which drives female motivation to involve in social entrepreneurship.

Due to Indonesia's social structure, among diverse options for female to perform, there are two main options that most female choose, whether to become a housewife or work in a professional basis. However, due to the needs and problems in the fields there is another option to comprise both. It may be seen from the preference of become an entrepreneur.

Related with the option to create their own business or enterprise, according to Ajzen (1991), entrepreneurship is an attitude that may reflect motivation and ability to identify opportunities and to generate new values for an economic success. Entrepreneurship is often suggested as a breakthrough to overcome poverty (Gries and Naudé 2009; Dixon and Clifford 2007) and considered as process of cultural innovation (Berger, 1991). Another important definition were emphasized by Zimmerer that define entrepreneurship as a process in applying creativity through innovation in order to find opportunities to improve certain aspects in life. Thus, the word 'process' also held a great deal of meaning. So, the concept of entrepreneurship may be used as one of the solution to tackle both economical and societal problems in Indonesia and may be used as one of the medium to solve the dependency that has become emergent issues.

While conventional entrepreneurship is primarily concerned with discovering and exploiting business opportunities (Shane and Venkataraman, 2000), social entrepreneurship is about channeling entrepreneurial activity towards solving social problems (Corner and Ho, 2010). It is then creating new dichotomy in social senses other than creating economic value (Dees, 1998; Clastkowski, Baily, and Baily, 1996).

There are several points that may be able to help us to understand core motives for females' involvement social entrepreneurship, which are

belonging that is people who are motivated to affiliate and bond with each other, they seek social belonging with their own kind, the most basic social motive of all (Fiske, 2004; Baumeister and Leary, 1995). The second one is understanding, a concept shows core social motive (Fiske, 2004; Hardin and Higgins, 1996). People's motive to understand adapts them to group life and its shared view of reality (Hardin and Higgins, 1996). Next is controlling, a motive that encourages people to feel competent and effective at dealing with their social environment and themselves. The fourth motive is enhancing self since most people basically like to feel good (Taylor and Brown, 1988) In short, people need to feel good about them due to self-enhancement, which comprises both self-esteem and self-improvement. Some people emphasize putting oneself first and viewing oneself in a positive light, but others emphasize the humble self, always striving to improve and putting others first. The fifth is trust as a form of social intelligence.

The above theory regarding the female motives and traits are one of the major drives on why female interested in doing social entrepreneurship. Entrepreneurship is often based on ethical motives and moral responsibility (Bornstein, 1998; Catford, 1998), thus the motives for social entrepreneurship can also include less altruistic reasons such as personal fulfillment. Secondly, and more importantly, entrepreneurship in the business sector also has social aspects.

This aspect may give female alternatives in order to self-actualizing by helping other people to fulfill their self-needs. Many empirical researches already stated the differences of male entrepreneurship compared to those performed by female. They consistently emphasize non-monetary entrepreneurial motivations (Walker and Brown, 2004; Buttner and Moore, 1997), while on the other hand, male shown that they are more likely to pursue traditional economic entrepreneurial activity than females. In other words, females businesses in terms of business success are less successful compared to those who were initiated by male (Welter, Smallbone, and Isakova, 2006). It can be seen from lower sales, slower growth, and lower profits than male-owned businesses (Brush et al., 2006). Males considered to be more interested in pursue traditional economic entrepreneurial activity than females. While on the other hand, females are more likely to engage in social and environmental entrepreneurial activity than males. Thus, females are more aligned with social rather than economic goals.

Even though most innovation is directly associated with technology, several researches have

already defined it as being widely accepted in the social sciences research. In relation with it, Chell et al. (2010) observed that 'social enterprises seek business solutions to social problems and in order to do so it is necessary for social enterprises to foster innovation'. It can be seen here that they social entrepreneur need to come up with new idea in order to tackle the problems in their surroundings. Nicholls (2006) defines social entrepreneurship as 'innovative and effective activities that focus on resolving social market failures and creating opportunities to add social value systematically by using a range of organizational formats to maximize social impact

There is some consensus that the creation of social value is central to both social innovation and social entrepreneurship (Marshall, 2011). The primary objective of social enterprises is 'mission-related impact' rather than profitability per se (Dees, 1998). Thus, to expand social values, one's need to expand their coverage so that it will benefited more people and able to meet social needs. According to Alvord, Brown, and Letts (2004) there are three scaling patterns for increasing social value that highly related with innovation, by expanding coverage, expanding functions and services to their initial target groups, and scaling impact (Alvord et al., 2004) or franchising (Tracey and Jarvis, 2007).

Therefore, in this point there are several social values that will be broke down in three major concepts, namely social empowerment, social benefit, and sustainability. According to Nicholls (2006), these approaches are quite central in interpreting the outcomes of these social enterprises, thus Emerson (2006) stated the needs of 'blended return': the financial (exchange value), the social and environmental performance (use value).

Another construct is Sustainability, which is a broad concept that includes both the continuation of the benefits that result from certain activities or 'benefit sustainability' and the ability of the organization to continue to exist or understood as 'organizational sustainability'. Thus, in accordance with sustainability, replicability, and scalability became important points that cannot be separated from the concept of social innovation.

2 METHODS

The methods that author use are taken into few steps of process. In order to capture the phenomenon and categorize it into a more fitting context-based story, researcher did some preliminary quantitative surveys for the theoretical sampling. The questionnaires were

distributed among 100 female entrepreneurs across Indonesia. The next step is aim to find out which informants which already change their profit oriented businesses into social enterprises, or even has already initiate their businesses to be a social enterprise from the first place. Based on the theoretical sampling, literature reviews, and observation, in regards with the limitations, there are 6 female social entrepreneurs that fit as the informants.

The data collection through literature studies, in-depth interview, observation, and FGD (Deetz, 1996) is also implemented. By using a mixed method, this research found out how social innovation bring female social entrepreneurship in creating social values by using several case studies. Authors did some observation on their social enterprises and their surroundings to find out their problems. Desk reviews on their secondary data is also seen as important in order to find out their kinds of innovation as well as their growth. Based on those data, authors also done several interviews as well as triangulations by applying constant comparative checking. The next part is the data analysis process, which consists of 3 phases (Glaser and Strauss, 2012) of open coding, axial Coding, and selective Coding. After the triangulations process, authors build the existing empirical condition based on the gathered data from the field.

3 RESULTS AND DISCUSSION

According to several in-depth interviews and observations, there are several things that become the main starting points on why female creates social enterprises. Some are moved because they have seen social and economical problems around them, and some are moved by their own conditions and then led to the need to empower others. Nevertheless, some are seen to be able to capture the social and economic phenomenon around them and create an enterprise as a catalyst for changes.

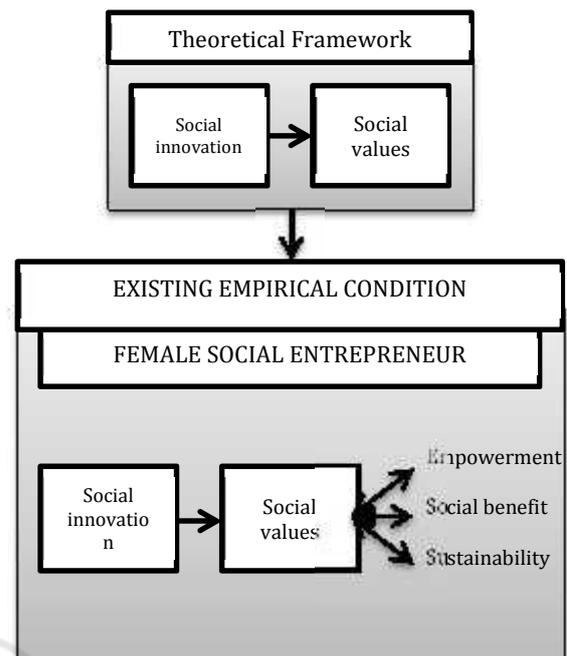


Figure 1: Initial theoretical framework and existing empirical condition.

Based on the grounded data collection which involving several female social entrepreneurs, we may see that there is several other unique and interesting findings in the field, which may be able, concluded in social business model later on. There are 3 main clear constructs that considered as important and generated from the field, namely empowerment, social benefit, and sustainability. It is stated that social innovation does creating more social values within the society, rather than conventional or traditional innovation (see in figure 1).

4 CONCLUSIONS

Thus, there are need to develop themselves, capture problems within their surroundings, as well as the urges based on their beliefs. By using the feminine management style which is tend to be more assertive, these female initiators decided to create a business which is not only profit oriented, but also sustained by always creating innovation thus may create empowerment process, social benefit as well as sustainability.

REFERENCES

- Ajzen, I., 1991. The theory of planned behavior. *Organizational behavior and human decision processes*, 50(2), pp.179-211.
- Alvord, S.H., Brown, L.D., Letts, C.W., 2004. Social entrepreneurship and societal transformation: An exploratory study. *The journal of applied behavioral science*, 40(3), pp.260-282.
- Andersen, S.M., Chen, S., 2002. The relational self: an interpersonal social-cognitive theory. *Psychological review*, 109(4), p.619.
- Baumeister, R.F., Leary, M.R., 1995. The need to belong: desire for interpersonal attachments as a fundamental human motivation. *Psychological bulletin*, 117(3), p.497.
- Bornstein, K., 1998. *My gender workbook: How to become a real man, a real woman, the real you, or something else entirely*. Psychology Press.
- Brown, A., 1998. *Organisational culture*. Financial Times.
- Brush, C.G., Cooper, S.Y., 2012. Female entrepreneurship and economic development: An international perspective. *Entrepreneurship and Regional Development*, 24(1-2), pp.1-6.
- Buttner, E.H., Moore, D.P., 1997. Women's organizational exodus to entrepreneurship: self-reported motivations and correlates with success. *Journal of small business management*, 35(1), p.34.
- Catford, J., 1998. Social entrepreneurs are vital for health promotion—but they need supportive environments too. *Health Promotion International*, 13(2), pp.95-97.
- Chell, E., Nicolopoulou, K., Karata -Özkan, M., 2010. Social entrepreneurship and enterprise: International and innovation perspectives.
- Chen, S., Boucher, H.C., Tapias, M.P., 2006. The relational self revealed: integrative conceptualization and implications for interpersonal life. *Psychological bulletin*, 132(2), p.151.
- Clastkowski, J., Baily, C.H., Baily, J., 1996. Social entrepreneurship as a stimulus to new venture creation. *Frontiers of Entrepreneurship Research*.
- Corner, P.D., Ho, M., 2010. How opportunities develop in social entrepreneurship. *Entrepreneurship theory and practice*, 34(4), pp.635-659.
- Dees, J.G., Anderson, B.B., 2006. Framing a theory of social entrepreneurship: Building on two schools of practice and thought. *Research on social entrepreneurship: Understanding and contributing to an emerging field*, 1(3), pp.39-66.
- Dixon, S.E., Clifford, A., 2007. Ecopreneurship—a new approach to managing the triple bottom line. *Journal of Organizational Change Management*, 20(3), pp.326-345.
- Fiske, S.T., Yamamoto, M., 2005. Coping With Rejection: Core Social Motives Across Cultures.
- Gries, T., Naudé, W., 2009. Entrepreneurship and regional economic growth: towards a general theory of start-ups. *Innovation—The European Journal of Social Science Research*, 22(3), pp.309-328.
- Hakim, C., 1995. Five feminist myths about women's employment. *British journal of sociology*, pp.429-455.
- Hardin, C.D., Higgins, E.T., 1996. Shared reality: How social verification makes the subjective objective.
- Jayawardena, K., 1976. Women and employment. *Economic Review*, 14, p.15.
- Macionis, J.J., 2015. *Social Problems*, Books a la Carte Edition Plus.
- Moran, E.T., Volkwein, J.F., 1992. The cultural approach to the formation of organizational climate. *Human relations*, 45(1), pp.19-47.
- Nicholls, A., 2006. Social entrepreneurship.
- Shane, S., Venkataraman, S., 2000. The promise of entrepreneurship as a field of research. *Academy of management review*, 25(1), pp.217-226.
- Taylor, S.E., Brown, J.D., 1988. Illusion and well-being: a social psychological perspective on mental health. *Psychological bulletin*, 103(2), p.193.
- Tracey, P., Jarvis, O., 2007. Toward a theory of social venture franchising. *Entrepreneurship theory and practice*, 31(5), pp.667-685.
- Walker, E., Brown, A., 2004. What success factors are important to small business owners?. *International small business journal*, 22(6), pp.577-594.
- Welter, F., Smallbone, D., Isakova, N.B. eds., 2006. *Enterprising women in transition economies*. Ashgate Publishing, Ltd.