CORPORATE SOCIAL ENTREPRENEURSHIP AS THE NEW FORM OF CORPORATE SOCIAL RESPONSIBILITY

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Abstract
Social entrepreneurship became a source of hope conceived by rather tested ideas than claimed ones, proposed by individuals instead of multinational organizations, ideas that underline the social inequalities, ecological issues, ideas that do not present the consequences of problems as being inevitable but address challenges that require societal transformation. Social entrepreneurs are the ones that make everything possible, providing innovative ideas for pressing social problems by being ambitious and perseverant and not counting on corporat ions or government to implement their ideas and aim to a systemic change.

Corporate entrepreneurship represents a mechanism for strategic positioning and transformation in order to obtain added value. The process itself contains the connection between innovation and competitive advantage and the steps in between.
Within the context of multinational companies, a new economic concept is born, the corporate social entrepreneurship. Whenever the organizations engage in any type of corporate entrepreneurship in order to solve a social problem and to generate social value, systemic change or social innovation, it practices corporate social entrepreneurship. Corporate social entrepreneurship represents a combination of the two concepts above mentioned, the next level of corporate social responsibility that generates higher economic and social value. While the corporate social responsibility responds to negative social aspects of the environment, in its new form, the corporate social entrepreneurship is a proactive mechanism with a culture of purpose.

Keywords: Corporate social entrepreneurship, corporate social responsibility, innovation, sustainability

Classification JEL : L26, L31, M14

1. Introduction

Corporate social entrepreneurship concept was first introduced by Hemingway in 2004 although it has been encountered for centuries under various forms. It was first named philanthropy, evolved in corporate social responsibility becoming what today is called corporate social entrepreneurship. Specialists’ opinions are divided between considering it a refined form of responsibility and a distinct notion. According to Schwab (2008) it represents the transformation of principles and ideas that are socially responsible into commercial value. Tasavori considers it a process of identification, definition and exploitation of opportunities through risk assumption at an organizational level and strategic innovation and rebirth that generates the creation of social value.

2. Corporate Social Entrepreneurship as the new form of Corporate Social Responsibility

Corporate social entrepreneurship differs from classic entrepreneurship, intrapreneurship and even social entrepreneurship. Their common traits are creativity, accent towards autonomy, freedom, independence and most of all the desire to break the institutional barriers that limit their creativity and potential. The aspiration towards results is connected to the need for personal fulfilment regarding intellectual and professional aspects which once reached increase the self-esteem which is higher than the material benefits. Entrepreneurs have been considered leaders within a business until the concepts of intrapreneur and corporate entrepreneur appeared, the one manager that shows entrepreneurial spirit by generating ideas, creativity and determination in their actions, directing resources and ideas towards profitability. Once the complexity of the business environment increases, the classical management techniques that imply the control of employees
become ineffective and an increase of the autonomy and responsibility by enlarging the job horizon is required. This action determines an increase of the satisfaction within the workplace and a high level of job stability. The concept of social entrepreneurship cannot be applied to all individuals who develop social responsibility activities within the private sector. Anyhow, due to the increase of the organizations’ interest in corporate social responsibility, the boundaries between a social organization and a company involved within this sector diminish. Therefore, a new type of economic agent is being shaped, the corporate social entrepreneur, the one that acts within a corporation in a social entrepreneurial manner and whose personal values are mostly overcoming his own limits.

Corporate social entrepreneurship has been described by Austin as the process of an organization’s competence area extension as well as of the associated opportunities by innovative resource allocation with the intent to generate simultaneously both economic and social value. Its main goal is to support the transformation of organizations in powerful generators of social progress. Corporate social entrepreneurship accelerates the process of corporate social responsibility and does not represent one of its forms but a process of strengthening and development of its own. It represents a fundamental change by extending the main goal of the organization and its values and encounters many resistances. Therefore, it is often considered a threat especially because it directs the actions of the organization toward social value creation, area in which the experience and the competencies and underdeveloped. The synergies, value based management, economic and social value generation and inter-sectorial strategic alliances represent main ingredients for a sustainable and successful business, preconditions created by the corporate social entrepreneurship.

Corporate entrepreneurship represents the risk assumed by the managers in their actions regarding investment and strategic decisions and has innovation, proactivity and risk assumption as components. Social entrepreneurship represents the process that implies innovation in resource combination in order to value opportunities and further generate social change and respond to social needs. The difference between the two concepts is that corporate entrepreneurship is motivated by innovation and economic development, while the social entrepreneurship, although also determined by innovation to act, helps the development of society.

Therefore, the framing of corporate social entrepreneurship came up in order to support the challenges related to social sustainability. The idea lying at the grounds of the concept is that the organizations can incorporate corporate social responsibility by changing the way in which it operates by creating an innovative and soft, highlighting the corporate values and the mission and building alliances in order to generate double value.

The main differences in the approach of social problems through corporate social responsibility and corporate social entrepreneurship were highlighted by Nikolov and Westerg (2017) in table no. 1.

Table no. 1 – Differences between CSR and CSE

<table>
<thead>
<tr>
<th>Corporate Social Responsibility</th>
<th>Corporate Social Entrepreneurship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimize negative impact</td>
<td>Maximizing positive impact</td>
</tr>
<tr>
<td>Incremental innovation</td>
<td>Transformational innovation</td>
</tr>
<tr>
<td>Separated from the business</td>
<td>Part of the core business</td>
</tr>
<tr>
<td>Reactive</td>
<td>Pro-active</td>
</tr>
<tr>
<td>Business as usual</td>
<td>Exploring new markets</td>
</tr>
<tr>
<td>Stimulating sustainable behavior</td>
<td>Stimulating entrepreneurial DNA and innovation</td>
</tr>
<tr>
<td>Meeting today’s requirements</td>
<td>Meeting tomorrow’s challenges</td>
</tr>
</tbody>
</table>
Corporate social entrepreneurship represents the next necessary step to be taken after elaborating the corporate social responsibility strategy in order to take the mixture of economic and social value to the next level. While corporate social responsibility focuses on minimizing the negative impact as a moral obligation, sometimes even legal, following voluntarily the social progress by maximizing positive impact of the social challenges represents a driver of innovation within the company. More and more companies face challenges related to innovation due to the fact that fast rhythm of change in the entire world raises doubts related to business models sustainability, their relevance and impact on society in the context of increasing pressure in order to face competition.

Valuing the social challenges offers new perspectives and allows the appearance of transformational innovation which creates new business opportunities and markets. These challenges motivate and inspire employees to identify solutions in order to change the world since they know the organization. Corporate social entrepreneurship inspires employees to think in perspective, to identify new significant products and services in order to generate a sustainable growth starting from the current level of each activity performed by the organization. Corporate social entrepreneurs look like intrapreneurs but are not the stubborn with specific ideas but rather the ones that assume risks to take over the responsibility for their ideas. They know very well the organization and can easily identify the way through which their ideas are adopted within the organization. Entrepreneurship within large companies is not easy to manage since ideas are seen as not feasible, too complicated or risky and it takes a strong struggle in order to put them in practice. As far as social intrapreneurs are concerned, what differentiates them from the classic ones is that they do not want to influence only the organization but to improve the world by creating business opportunities for their company and they align the two goals.

The corporate social entrepreneur’s primary goal is to significantly transform the way in which a company operates and it is based on the following grounds:

1. Enabling the environment. In order for the companies involved to progress from old approaches of corporate social responsibility to corporate social entrepreneurship, they have to adopt an entrepreneurial mentality and to create an entrepreneurial environment in order to facilitate the fundamental organizational transformation though top management initiatives. A strong vision is necessary, one in which the revolution of the corporate social responsibility takes over the company. Aligning the personal interest to the corporate social responsibility is the strongest way for a company to succeed. The vision and the strategy have to be in line with the changes in the structures and the processes of the company. Indicators used to measure the generated social and economic performance are essential as well as the rewarding systems aligned in order to ensure that the operational performance is aligned with the engagement of creating social value. Through entrepreneurial culture, these companies seek creating synergies within the decisional process based on cross functional teams that bring together stakeholders on specific matters. While within traditional companies the management team contain only people who gather revenues, when they are involved in corporate social entrepreneurship they include people responsible of value generation. They make sure the organizational values enter all the departments of the organization and that they are accordingly integrated within the internal processes. Internal procedures support entrepreneurial activities within organization, entrepreneurial values are recruited and selected and autonomous entrepreneurs are encouraged and directed towards essential goals which have value based organizational culture.

2. Corporate social intrapreneur. Corporate social entrepreneurship process is supported by change agents called intrapreneurs. Social and corporate entrepreneurship differentiate the role of
social and corporate entrepreneur of that of a manager. Both are different since the entrepreneur is the one who launches new initiatives and the manager is the one who manages and implements them. For the corporate social entrepreneur, both roles coexist since corporations have to be entrepreneurial in order to innovate and to go beyond traditional managerial approaches, to transform the way in which a company is managed. The most important triggers to direct a company are the individuals who focus on the organizational transformation and on innovation which leads the company to a higher level of corporate social responsibility. Social intrapreneurs are supporters of social integration as a pillar within companies, are good communicators who support the importance of transformation, active listeners of stakeholders and capable to talk to groups in ways that reveal how the social activity is relevant for their needs and priorities. They are creators of innovative solutions, new resource configurations, actions and relationships. They are not managers of a current situation but the creators of a new one. They are triggers of change that inspire and create synergies in others’ work. They are coordinators capable to overcome internal and external boundaries, to mobilize and align stimulants. They are contributors who support others’ success. They are team players that mobilize other groups. They are change agents of organizational change that have to evaluate how fast and how far they can take the transformational process within organizations. Change does not appear in terms of ideals or intentions but in terms of goals well aligned and as change agents they have to evaluate how far and how fast they can transpose the transformational process into a company’s reality.

- Corporate goal of value based organizations. One of the major interest points is represented by the company’s values since the proper identification of these is essential in order to advance in corporate social responsibility. Intrapreneurs have to ensure the value generation through fulfillment of the social responsibilities as an essential component within the organization’s mission. The process of corporate social entrepreneurship aims to put the ideas into action. Value based organizations are regarded as being trustful, moral agents capable to generate trust based on ethical sustainable behavior and innovative solutions to social aspects. Their goal is not only to comply to the legislative framework or to respond to the needs of stakeholders but to lead through their own example, to exceed expectations and set new standards. Within these initiatives, social values are not regarded as trophies that beautify the reality but as a structural component, a ground for organizational identity. The values are not adapted to an existent strategy but other way round in order to determine individuals to unlock their creative energies based on humbleness which determines them to get involve and deal with social problems. Values’ congruency on an organizational level allows spreading the entrepreneurial spirit within a bigger solid structure and applying them in all the activities they perform.

- Value creation and double result. Entrepreneurship involves identifying innovative ways to generate value so that the social corporate branch ensures that the organizations’ goal goes from maximizing investors’ results to optimizing those of stakeholders, those groups significantly affected by the company’s actions which on their turn they can affect the organization. The goal is to generate double value, mixed by identifying those mechanisms which allow synergies and complementarity instead of competition. Therefore, the social value is not regarded separately but it is incorporated in a transparent responsibility system which ensures the performance both for internal and external stakeholders.

- Value cogeneration. In order to obtain both economic and social value, the collaboration with other organizations in the business environment, civil society or governmental organizations is essential. These alliances ensure the framework for corporate social entrepreneurship, that level in which the competence level and opportunities are extended by dealing with resources out of their direct control. Strategic alliances that combine basic complementary skills can generate resource mixes which allow identifying innovative solutions to economic and social pressing problems and are essential for the success of initiatives that do not own an adequate resource level. Intrapreneurs are entrepreneurs that continuously seek to manipulate resources outside their direct area of control.
creating internal and external connections by setting close relationships with stakeholders seeking for partnership. Coordinating the company’s objectives with those of groups in order to generate social value became an institutional habit incorporated within the organizational culture and directed through corporate social entrepreneurship. Through partnerships, organizational constraints are overcome allowing companies to multiply the effects of their efforts.

The social responsibility mentality of a company is one in which the social aspects do not represent the basic activities. Companies need to connect success with social progress while they behave as economic activities and not as charity organizations and this way challenges can be approached in a strong manner. Employees form multinational companies that are involved in identifying practical solutions to this type of challenges are named intrapreneurs. As agents of corporate change, they have access to resources that allow them putting into practice ideas. Social intrapreneurs are the most focused and valorous actors within many corporate social entrepreneurship models.

Socially responsible companies benefit of the new business opportunities though the added value of products and services. The number of consumers interested in the ethical aspects of product is increasing, including the number of those who would rather acquire goods from socially responsible companies. By getting involved in corporate social responsibility, organizations benefit of prevention measures once they build an involvement culture, one that respects social values, rights and business practices that support these ideas. These organizations can detect in due time the crisis signals and can adopt adequate measures. Involvement in corporate social entrepreneurship improves the reputation of the company, showing that it shares strong values and ethical standards which turn companies into attractive employers and getting better work force. Socially responsible companies increase their employees’ loyalty and determine them to support its interests.

Correlating individuals’ personal values with the organization’s social values increases the satisfaction among employees and improves the quality of the work environment and the retention rate. The image an organization envisages is also important for potential employees. Taking over corporate social entrepreneurship activities and having a good organizational reputation increase the company’s attractiveness.

3. Conclusions

Corporate social entrepreneurship represents the mixture of entrepreneurship and social value creation which, together with the focus on improvement of the relationship between the business environment and society, represents the new version of corporate social responsibility. Socially responsible organizations increase the employees’ loyalty and determine them to support their interests. Correlating individual personal values with social values of the organization increases the satisfaction among employees and improves the quality of the work place’s environment and the retention rate. The image an organization illustrates is important also for the potential future employees. Taking over corporate social entrepreneurship activities and a great organizational reputation increases the attractiveness of the organization.

Corporate social entrepreneurship represents a combination of entrepreneurship and social value creation which, the next necessary step following the strategy elaboration. While corporate social responsibility focuses on minimizing the negative impact as a moral obligation, sometimes even legal, voluntarily seeking social progress through the maximization of the positive impact, through valuing the social challenges represents an innovation trigger within the company. An increased number of companies face challenges concerning innovation due to the fact that the fast rhythm of change in the whole world raises doubts regarding the business models’ sustainability, their relevance and their impact on society in the context of the competition’s pressure. Valuing social challenges offers new perspectives and allows the appearance of transformational innovation
which creates new business opportunities and markets. These challenges motivate and inspire employees to identify solutions in order to change the world since they know their organization. Corporate social entrepreneurship inspires employees to think in perspective, to identify new significant products and services in order to generate a sustainable growth.

4. Bibliography