

MAJOR OBSTACLES TO SOCIAL ENTREPRENEURSHIP IN TAMIL NADU – A SECTORAL ANALYSIS

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Abstract

It is known that in the past two decades, the social entrepreneurship has developed exponentially as it has been widely recognized for its capacity to solve the pressing problems of humanity (Akash & Boopathy, 2018). Being a new business model, its implementation is not without obstacles. Social entrepreneurs face multi – dimensional challenges and hardships during the entire life cycle of their social organizations (Bhatt.et.al.2019). As the growth of social entrepreneurship has an immense impact on the Indian society, the obstacles hindering its development has to be empirically investigated so as to guide the practitioners to tide over their difficulties and succeed in their endeavors. The present article is me such attempt in this direction to identify and analyse the obstacles of the field in the state of Tamil Nadu, with a special focus on its ‘Sectors’.

Key words: Social Entrepreneurship – Obstacles - Sector

Introduction

It is known that in the past two decades, the social entrepreneurship has developed exponentially as it has been widely recognized for its capacity to solve the pressing problems of humanity (Akash & Boopathy, 2018). Being a new business model, its implementation is not without obstacles. Social entrepreneurs face multi – dimensional challenges and hardships during the entire life cycle of their social organizations (Bhatt.et.al.2019). researchers in the last decade related the major difficulties of social enterprises to the scarcity of financial resources, leadership challenges, institutional and regulatory environment and others such as impact assessment, lack of financial sustainability and difficulties in reaching target segment (Biddalph,2018, Sepulveda et.al.2018, Jung et.a.;2016). As the growth of social entrepreneurship has an immense impact on the Indian society, the obstacles hindering its development has to be empirically investigated so as to guide the practitioners to tide over their difficulties and succeed in their endeavors. The present article is me such attempt in this direction to identify and analyse the obstacles of the field in the state of Tamil Nadu, with a special focus on its ‘Sectors’.

Literature Review and Identification of Major Obstacles

Rom the recent findings and discussion of the prominent researchers, major obstacles largely dealt by them were collected and presented with respective authors, they are –

1. Financial resources and leadership challenges – (Jung.et.al. 2016, Alkahtani, 2017, Biddalph, 2018, Tipada Rawal 2018, Nipun Agarwal (2020) and Report by British council 2016, Wry and Zho 2018, (alo et.al.2018).
2. Financial sustainability and visibility – Sud et.al 2009, Moiger & Tracey 2010, Holt 2000, Boshee 2001, Mahaboob & Moinul 2012 and Josephia et.al 2022.
3. Social economic, regulatory and cultural environment – Aquino et.al 2018, Haugh 2009, Hota et.al 2019, Mair and Marti 2006, Ozeren et.al 2018, and Grimes et.al 2018.
4. Social Impact Assessment – Sulphey and Alkahtani 2017, Goyal et.al 2016, Mair and Marti 2006, Nipun Agarwal 2020, Lasma and Groma 2021, Austin et.al 2012 and Miller Centre for Social Entrepreneurship Report 2023.

5. Social Networking and Support Services – Johannisson and Olaison 2007, Mulgan 2006, Dacin & Dacin 2012, Hoogendroorn et.al Soll, Barge et.al 2014, Stephen et.al 2015 and Tarun Khanna 2022.
6. Less Attractive and Complex Concept – Sullivan Mort et.al 2003, Mair & Marti 2004, Haug & Trancey 2010, Sud et.al 2009, Nega and Schneider, 2014, and Andre and Pache 2016.
7. Difficulty reaching Target Segment and Marketing – Hoogendroon et.al 2010, Report by British Council 2016, Jung 2016, Goyal et.al 2016, and Prabhaker Krishnamoorthy, 2023.
8. Highly Competitive and Volatile – Garcia – Uceda et.al 2017, Sepulveda et.al 2018, Josefina et.al 2022.

To achieve clarity in analysis after consulting experts the obstacles discussed above are reduced to seven by considering their similarities and suitability to Indian Conditions, they are (Variables) and listed as below-

1. Lack of Financial Resources and Talents – (O1)
2. Lack of Financial Suitability – (O2)
3. Less Attractive Concept – (O3)
4. Lack of Social Networking Support Service – (O4)
5. Lack of Socio economic and Regulatory Environment – (O5)
6. Difficulty in Marketing of Products and Services – (O6)
7. Difficulty in Measuring Social Impact – (O7)

Objectives of the Study

1. To identify the major obstacles hindering the development of social entrepreneurship on a broader perspective development of social entrepreneurship on a broader perspective.
2. To find the level of severity of identified obstacles and their relationship with major sectors of the field.

Sample Selection and Methodology

The selection of representatives of social enterprises is based on the list of social enterprises compiled by popular NGOs operating in Tamil Nadu. A sample of 400 units are selected by giving due representation to their sectors of operation. A snowball sampling method is followed in the study.

As a methodological obligation, the content validity of the items expressing the obstacles was ensured by consulting academia experts in the field (Delphi method). Responses were sought on 5-point Likert type scaling by sending questionnaires to their e-mail addresses. As 384 responses fit for analysis, the final sample size stood as the same. The distribution of sectors and their respective sample units are – 1. Education (96), 2. Healthcare (52), 3. Energy and Environment (24), 4. Agriculture (156), and 5. Micro – enterprise (56). A broader null hypothesis framed for the study is that ‘there exists no relationship between obstacles and major sectors in the field of social entrepreneurship’. Chi-square analysis was used for testing. It is a qualitative study with descriptive and analytical content.

Results and Discussion

Responses over seven – obstacles were broadly classified into three overall. Categories based on their respective limits of sectors. The categories with respective respondents are shown in Table – 1.

Table – 1 Overall Category and Respondents

Obstacle	Reponses			Total
	Low	Moderate	Severe	
O1	55 (14.3)	82 (21.4)	247 (64.3)	384
O2	81 (21.09)	118 (30.7)	185 (48.1)	384
O3	71 (18.5)	136 (35.4)	177 (46.0)	384
O4	91 (23.6)	117 (30.5)	176 (45.8)	384
O5	84 (21.8)	117 (30.5)	183 (47.6)	384
O6	62 (16.14)	132 (34.4)	190 (49.5)	384
O7	78 (20.3)	132 (34.4)	174 (45.31)	384

Source: Computed Data

Table – 2 shows the level of severity of obstacles across sectors.

Table – 2 Level of Severity of Obstacles across Sectors

S.No	Sectors	Obstacles						
		O1	O2	O3	O4	O5	O6	O7
1.	Education	Low (10-20%)	Low (5-10%)	Low (5-10%)	Low (5-10%)	Low (10-15%)	Severe (40-60%)	Low (10-13%)
2.	Healthcare	Severe (30-40%)	Severe (28-35%)	Low (10-15%)	Low (10-15%)	Severe (40-50%)	Low (10-15%)	Low (10-13%)
3.	Energy and Environment	Severe (60-70%)	Severe (65-75%)	Severe (70-80%)	Low (15-20%)	Low (10-15%)	Severe (50-60%)	Severe (40-50%)
4.	Agriculture	Severe (65-75%)	Severe (70-80%)	Severe (65-75%)	Low (20-25%)	Low (20-25%)	Severe (30-40%)	Severe (30-40%)
5.	Micro - enterprises	Severe (70-80%)	Severe (75-85%)	Severe (65-75%)	Severe (50-60%)	Severe (50-60%)	Severe (65-75%)	Severe (60-70%)

Source: Primary Data

General opinion indicated that at overall level the social enterprises face much severity in respect of obstacles – No.1 (64.5%), No.6 (49.5%), No.2 (48.1), and in respect of others it was below moderate. Sector – wise results showed that the units in sectors like ‘energy & environment’, ‘agriculture’ and ‘micro-enterprises’ faced majority of obstacles at severe level. The level of severity was considerably ‘low’ across all obstacles in respect of sectors- ‘education’ and ‘healthcare’. The results of relationship between ‘obstacles’ and ‘sectors’ shown in Table-3.

Table – 3 Relationships between Obstacles and Sectors – (Chi-Square Results)

Obstacle	Calculated (CV) Value	Result
O1	24.820	Rejected
O2	80.829	Rejected
O3	22.905	Rejected
O4	24.851	Rejected
O5	19.211	Rejected
O6	26.120	Rejected
O7	24.585	Rejected

Source: Computed Data – TV-(Table Value – 15.51), Df-(Degrees of Freedom - 8)

Results revealing that a significant relationship existed between sectors and obstacles faced as all their null-hypotheses are rejected outright.

Implication and Conclusion

Having empirically demonstrated the severity of major obstacles across majority of sectors, it is assumed the social enterprises in Tamil Nadu face obstacles of all sorts in case of operating sectors are 'energy & environment', 'agriculture' and 'micro-enterprises'. It acts as a caution to entrepreneurs of start-ups in those social sectors. It could also facilitate 'action strategies' to be formulated at different levels of policy making by stakeholders concerned. For further authentication, studies covering 'collective cases' may be undertaken based on sectors.

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