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Working Paper



Silesian University in Opava
School of Business Administration in Karvina
Institute of Interdisciplinary Research



**Working Papers in Interdisciplinary
Economics and Business Research**

Innovation implementation in the social
entrepreneurship

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December 2015

Working Papers in Interdisciplinary Economics and Business Research

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Citation

KADLUBCOVÁ, J., 2015. Innovation implementation in the social entrepreneurship. *Working Paper in Interdisciplinary Economics and Business Research no. 23*. Silesian University in Opava, School of Business Administration in Karviná.

Abstract

Jana Kadlubcová: **Innovation implementation in the social entrepreneurship**

The article concerns mainly the question of innovations implementation in the social entrepreneurship area. Social entrepreneurship is one of key tools to improve the conditions of local and regional community, solving most significant problems of long-term unemployment and social exclusion. Setting and operation of social entrepreneurship is challenging as it should achieve both economic and social targets. This kind of entrepreneurship is profit-oriented like any other business, moreover it meets the common needs of local and regional community. It is connected with considerable demands to management, leading and continuous implementation of innovations in business operating.

Key words

social entrepreneurship, innovations, community interests, inclusion

JEL: L31, L26

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Introduction

The phenomenon of social entrepreneurship is developing dynamically worldwide within several latest decades. These enterprises are profit-oriented like most of others, but they also set the special goals in a social sphere. The profits are then invested back to the firm or to special social projects. They are different from typical profit-oriented firms, and also from non-profit organizations because they operate on the common competitive market, they are aimed to gain a profit. They are specific in focus on social capital formed within a society of certain region, and mission often connected with social integration. Their mission is often connected with social and employment activation of local or regional societies. Their business is very often set because of local needs – as a solution of society development questions. The social entrepreneurship is closely connected with the personality of an entrepreneur. The social entrepreneur concentrates both on commercial and social welfare growth and success, often thanks to ability to create, and implement the innovations.

1. Review of Relevant Literature

The relevant literature is reviewed, defining basics of social entrepreneurship and its specifics in the Czech Republic. Methods of primary data collection, data analysis, benchmarking, exploration, description and explanation, summary, prediction are used in this paper. The main aim of a research is to analyse how social enterprises and business enterprises implement innovations in social entrepreneurship field. The questionnaire survey among the 90 SME in a certain region (both common business and social enterprises) would be realized within the first half of 2016 to reach the data connected with the social innovations implementation. Two hypothesises will be formulated concerning this area, and then statistically verified based on data collected.

1.1. Definition of social entrepreneurship

Entrepreneurship generally is one of key factors influencing societies and their development. According to Porter entrepreneurship is defined as an exceptional set of individual activities realized with specific mind-set in order to maximize profit. It usually brings higher employment, increased ability to adopt innovations and accelerated structural changes in the economy. Successful entrepreneurship is usually connected with better productivity and competitiveness with some positive externalities (added value) on society. According to Dees (2001), social entrepreneurship is the field where the businesses are directly connected with the goal of social value creation. Social entrepreneurship can be understood as a basis of „social economy“ as it utilizes the social capital of a certain local or regional society to produce goods or services. These enterprises operate on competition market but are based on specific interpersonal contacts, trust, communication and cooperation concerned on common goals and values of a local or regional society. It leads naturally to the activation, development of society and its members, innovations generation and inclusion of formerly passive individuals and social groups. These kinds of enterprises are complementary to the „market economy“, they improve the local and regional conditions for common life. There are many shareholders involved into social entrepreneurship in a local or regional context – managers of social enterprises, employees, volunteers, users, interest organizations and local public institutions acting as partners.

Anyway, the personality of an entrepreneur is a key factor of success. According to the McClelland (1976) entrepreneurs are individuals who see the world differently and envision the future better than others do. They seize opportunities that otherwise would go unnoticed. They are realists but also risk-takers with a high need for achievement, concerned with venture growth maximization and economic prosperity. According to Schumpeter (1934) an entrepreneur is an innovator who implements entrepreneurial change within markets. Carland et al. (1984) also characterizes the entrepreneur as a personality with innovative behaviour who uses strategic management in business.

Social entrepreneurs are people with both realistic and visionary attitude in business and management. According to Zahra et al. (2008) they discover, define and exploit opportunities to enhance social wealth through creating new ventures or managing existing organizations in an innovative manner.

1.2 Social entrepreneurship in the Czech Republic

Social entrepreneurship in the Czech Republic is defined mainly according to the indicators set by the Ministry of Labour and Social Affairs. The indicators are: public utility target, public (social) benefit, economic benefit, environmental benefit, regional (local) benefit. It is officially set by the law from 2014, generally the social entrepreneurship is mainly the question of company values that law form.

2. Innovations, innovation process and implementation

Innovations are usually perceived as significant positive changes. Maryville (1992) considers it as the application of better solutions that meet new requirements, unexpressed needs, or existing needs of market and customers. According to Frankelius (2009), innovations are realized through more effective products, services, processes, technologies or business models that are available to market, society, government.

Conclusion

The paper concerns innovation implementation in social entrepreneurship. At the beginning the phenomenon of social entrepreneurship is defined, with specifics in the Czech Republic. Then the theoretical basics of innovation, innovation process and innovation implementation is presented. Specifics of innovations in social entrepreneurship are noted then together with the analysis of empirical research data gained within questionnaire survey among the 90 SME in a certain region (both common business and social enterprises) would be realized within the first half of 2016. The hypothesis verification and summary with recommendations are performed. The results shall show the possible direction of development in this area of business development.

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