Chapter 11
What Does It Take to Be a Social Entrepreneur? Authentic Leaders and Their Effect on Innovation

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ABSTRACT

Contemporary society is characterized by the prevalence of wicked problems to which the efforts and actions of some entrepreneurs have negatively contributed to social problems. Corporate social responsibility emerged as an early response to multifactor problems that are difficult to conceptualize or structure, but it has had limited success in engendering significant structural societal change. Social entrepreneurship is a contested construct that typically includes the social entrepreneur. A definition of social entrepreneurs is provided drawing on the literature. Social entrepreneurs offer leadership for social innovation outcomes as an antidote to prevailing social issues. This contributes to the literature on social entrepreneurs by examining how social entrepreneurs lead in the digital era. Importantly, this chapter considers the role that authentic leader behaviors (awareness, sincerity, balanced processing, positive moral perspectives, and informal influence) has in enabling social entrepreneurs to create and innovate.

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INTRODUCTION

The construct of wicked problems has increasing currency in describing characteristics of the global world in the twenty-first century. This includes the many ethical and societal challenges facing the contemporary global citizen, in which change is an inherent part of our society. Some of our research has failed to adequately address these unethical challenges. Some research is only just beginning to understand the complexity of unethical cases (e.g. Crawford & Newstead, 2018).

One of the greatest challenges is the role and impact of corporations and calls for greater accountability. The Global Financial Crisis (GFC) was a significant organizational challenge (Mason, 2013), with the response of growth in social entrepreneurship research and practice. The social entrepreneur offers a ‘third-sector’ nested between non-for-profits and for-profit entities (Aiken & Bode, 2009). This third sector proposes to do the work of the non-for-profit in a commercial private-sector setting. The results have been varied and time-lagged. European emergence, for example, is potentially the most advanced with scholars considering welfare pluralism equal to immediate economic metrics (Evers & Laville, 2004). In Australia, Governments have been slow to identify the role of the third-sector and provide a policy platform to encourage its growth (Lyons & Passey, 2006). However, to a large degree, social entrepreneurs in their infancy have created significant responses to global challenges.

A significant social entrepreneurial venture is Grameen Bank. Grameen Bank is a multibillion-dollar bank that provides microfinance loans to impoverished people without requiring collateral. The organisation still generates a profit and aims to create significant social good in the process. The Grameen Bank received a Nobel Peace Prize in 2009 for their efforts to create economic and social development from below (Nobel Prize, 2006). Other examples include: TOMS a company that gives a pair of shoes to needy people for every pair bought, Seventh Generation that produces products that reduce environmental impact, and Fifth Estate Co. that strives to use low impact natural ingredients for men’s grooming products.

The social entrepreneur’s mission is to improve the world. Social entrepreneurs foreground their personal values and view profit as a positive consequence of their innovations (Dees, 2017). This approach is welcome in a corporate context of challenging ethical decisions (e.g. Crawford et al., 2017). For the social entrepreneur, profit is often seen to the end of scalable social change. In this chapter, we also frame leaders as the enablers of scalable social change (Strielkowski & Chigisheva, 2018). The social entrepreneur should be distinguishable from actors like the corporate managers engaging in positive social impact strictly for lip service to their industry or meeting society’s corporate social responsibility (CSR) ‘quota’ (Idawo, 2014). This distinction is crucial in the consideration of innovative leadership. While CSR
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