The Important Role of Women in Social Entrepreneurship

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Ignore the glass ceiling and do your work. If you're focusing on the glass ceiling, focusing on what you don't have, focusing on the limitations, then you will be limited. My way was to work, make my short… make my documentary… make my small films… use my own money… raise money myself… and stay shooting and focused on each project.

Ava Duvernay

Introduction

We need entrepreneurs, broadly conceived, for virtually all of our material, biological, and social needs including food, shelter, entertainment, and the services that we enjoy. And, because entrepreneurs compete with each other in the provision of goods and services and in the facilitation of business transactions, we owe increases in our quality of work life and standards of living, in large part, to these entrepreneurs.

The term "entrepreneurship" in the broad sense of business ownership is derived from a much narrower conception introduced by economists Jean-Baptiste Say in the nineteenth century in which the entrepreneur created value by moving resources to higher planes of production and Joseph Schumpeter who, a century later, identified the entrepreneur as the driving force behind the growth of an economy (Martin, 2007).

Schumpeter distinguished between "adaptive responses," behaviors that fall within the range of accepted practice, and "creative responses," behaviors that fall outside the range of existing practice. According to Schumpeter's theory, creative

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responses in business are coterminous with the idea of entrepreneurship and they have several characteristics that distinguish them from adaptive behaviors:

1. Creative responses can't be understood ex-ante, that is, knowing what to do, given a set of existing facts, is not a matter of simple inference;
2. Creative responses shape the "whole course of subsequent events and their long-run outcome"; and
3. Creative responses are related to the abilities of people in society, the abilities of people in relevant industries, and the decisions and actions that they take (Schumpeter, 1947).

Schumpeter points to several distinctions between the capitalist and the entrepreneur and the inventor and the entrepreneur. Although capitalists provide the funds necessary for business and inventors provide ideas that ultimately are converted into products and services, the entrepreneur is the innovator who gets things done. For example, while Henry Ford did not invent the automobile, he systematized its production, making it more reliable and more affordable for average people by dramatically changing the assembly line which he did not invent. Other theorists, like Peter Drucker, writing in the twentieth century, define entrepreneurs as those who create value by recognizing and responding to change rather than the "heroic" change agents that Schumpeter describes (Martin, 2007). It is within this context that we address the empowerment of women in initiating and mobilizing support for social entrepreneurship as a venue for solving problems affecting them and the community. Women entrepreneurs face a variety of issues which can limit their success.

Challenges and Constraints

Until about 20 years ago, entrepreneurship and business leadership were almost exclusively male-dominated activities. The article by Williams (2012) "*Why Women May Be Better Leaders than Men*" brings to light many examples of how women are making significant strides as champions of change and as intrapreneurs in their organizations but still suffer from stereotypical biases, negative evaluations, and lack of recognition—the invisible barriers that separate women and minorities from top leadership positions. The lack of promotion opportunities, limited flexibility on the part of employers, and lack of upward mobility leave many women with untapped potential in their organizations to contemplate career possibilities outside the organization. Belasen (2012) reported a higher turnover rate of women with at least 10 years of executive experience than males at the same level. Between the stress of balancing work and home and other workplace barriers, one can understand why many women feel frustrated when bias-based objections become a reality or when peripheral considerations become the center for vicious office politics and power struggle preventing women from reaching the top.

Women face a catch-22 when they enter professional careers. High-achieving women who attempt to combine work responsibilities with family are either condemned for compromising their familial obligations, or for hindering their full professional potential by spending time and effort around their personal life. Lisa Belkin (2003) of the *New York Times* pointed out an alarming trend—large numbers of highly qualified women dropping out of mainstream careers. Labeling these women the "opt-out revolution," Belkin traces the reasons and provides evidence that women steer onto the off-ramp at some point on their career pathway.

Empirical evidence confirms that women in leadership positions help improve organizational performance and stakeholder satisfaction, yet the support systems such as flexible work schedules, maternity leaves, and re-entry on the fast track for promotion are lacking. High-achieving women are not meeting their career goals not because they decide to opt out of the workforce due to their caregiving responsibilities but rather due to the inflexibility of workplaces' policies and practices. Until companies mainstream flexible arrangements, the talents and skills of high-potential women will continue to be directed towards external goals including social entrepreneurship.

A study by John Becker-Blease from Oregon State University that was conducted in 2010 found that about 7.2% of high-achieving women left their jobs, compared to 3.8% of men. Both the voluntary rates (4.3% versus 2.8% for men) and the involuntary rates (2.9% versus 0.9%) were higher for women executives. Women are more likely to leave their jobs due to domestic obligations or because of higher social consciousness than men, which could explain the higher-than-men voluntary departure rate (Klampe, 2010). Women tend to stay away from management positions due to lack of workplace flexibility (15%) and placing a bigger priority on family (26%), but also because of institutional barriers and lack of mobility (42%), less willingness to take risks (10%), and lack of mentoring and social support, estimated at 7% (Inam, 2013). The constraints on women from entering executive suites and corporate boardrooms, paradoxically, has also created opportunities for women to apply their innovativeness and creativity skills elsewhere, primarily the formation of startups, the subject of subsequent sections.

The Second Glass Ceiling

Bosse and Taylor (2012) proposed that the second glass ceiling appears like an entrepreneurship corollary to the first glass ceiling (the invisible barrier that separates women and minorities from top leadership position) except that it centers on the capital markets that serve small firms. They pointed out that women entrepreneurs face tighter credit availability from financial institutions to start new firms or to fuel the growth of existing small firms. For example, the *Center for Women's Business Research's Women Confidence Index* reported in 2010 that women business owners continue to cite problems of getting loans. Bosse and Taylor (2012) agreed that more women business owners are seeking credit, but fewer report that they are getting all of the credit they want (9.5% in 2009 versus 6.3% in 2010) and more report that they are getting none of the credit they want (20% in 2009 versus

25% in 2010). Even for firms with higher annual revenues (greater than $500,000) only 10.3% in 2010 received all the credit they wanted, while 65.5% stated that they were able to obtain at least some, most, or all credit sought. In contrast, only a third (33.3%) of those with smaller annual revenues (less than $500,000) were able to obtain at least some, most, or all credit sought.

The use of ***gender as a grouping criterion*** is widely observed in sociological research. People feel most comfortable working with others who manifest similar characteristics, personal traits, or behaviors. Thus, as long as there are many more males than females at banks and investment firms in positions to allocate financial capital, it follows that males who seek capital may receive a disproportionate share, ceteris paribus. Even as women-owned businesses continue to grow at rates exceeding the national average in the USA, these firms have not been moving along the growth continuum (American Express, 2011). Men-owned businesses, on average, are larger than women-owned businesses—about twice as many than women-owned businesses have ten or more employees and three times as many have reached the $1 million revenue mark (American Express, 2011).

Traits and Skills

Bellucci, Borisov, and Zazzaro (2010) found that women business managers tend to perceive critical decision events as riskier and are more risk-averse than men, particularly in the area of financial investments. This was corroborated by Hadary (2010) who suggested that the stereotype that women are perceived as incapable of leading substantial, growing businesses is pervasive among business and government leaders. She also pointed to women's own perceptions of incompetence as a key reason why others do not believe their firms will grow. Bosse and Taylor (2012) cite strong evidence from a multi-country database of 14,000 firms that shows that women-managed firms are 5% less likely to get a bank loan approved compared to men and when they do get a bank loan, on average, they pay half a percentage point more in interest (Muravyev, Talavera, & Schafer, 2009). Furthermore, analysis of a longitudinal survey of almost 5000 entrepreneurial firms shows that not only do women get significantly less external debt and equity than men at firm startup; they also get significantly less capital in the subsequent 2 years (Coleman & Robb, 2009).

As in politics, entrepreneurship is associated with male characteristics such as assertiveness and self-promotion, tactics used to control impressions and exercise influence. Thus, the possession of political skills or lack thereof can be predictive of women's success as entrepreneurs. For this reason, Phipps and Prieto (2015) found that males have greater propensity than females to be entrepreneurs. Also, the limited presence of women entrepreneurs means that female mentors are not available to support and encourage the self-efficacy of would-be female entrepreneurs. Since creativity is positively correlated with entrepreneurial intentions (Hamidi, Wennberg & Berglund, 2008; Olawale, 2010; Phipps, 2012), this, too, could be a determinant of entrepreneurial self-efficacy.

Geibel, Askari, and Heinzel (2014) used The Global Entrepreneurship Monitor (2009 GEM Report) to measure the "fear of failure rate" in 26 countries. This rate is defined as the percentage of the age of "18–64 of population with positive perceived opportunities who indicate that fear of failure would prevent them from setting up a business." In 2012, 27% of the individuals with entrepreneurial aspirations in the USA recognized opportunities but did not follow through on their plans, even if the expected utility was projected to be higher than the next best alternative. Factors contributing to this fear included the availability of startup capital (liquidity constraints), economic growth (level of industrialization, employment), entrepreneurship education (building skills and knowledge of entrepreneurship), reputation (image), and startup activity (level of involvement). One of the findings was that even if the economy of a country is well developed, a recession might raise the fear of failure due to the negative development and prevent people from starting a business. Furthermore, a low startup activity increases the fear of failure rate. Possibly, individuals who are currently not involved in a startup have less confidence concerning the potential of their ideas if they don't observe other people being successful or trying to be successful. Observing a higher degree of entrepreneurial activity could raise their trust in the market conditions required for successfully setting up their own business.

The Reality

These obstacles to female entrepreneurship, notwithstanding, did not discourage women from pursuing social innovation. If anything else, it showed that women-owned business is a force to be reckoned with. While an average of 506 new women-owned firms were started each day since 2007, the daily average was 602 per day from 2011 to 2012, 744 per day from 2012 to 2013, and fully 1288 per day in 2014—showing that the number of new women-owned firms launched each day has doubled over just a few years. From 2007 to 2014, the number of women-owned firms increased by 17% compared to an overall increase in new firms of 13%—a ratio of 1.3:1. As mentioned earlier, over the entire 1997–2014 period, the number of women-owned firms has increased at a rate 1½ times the national average (Womenable, 2014). About 50% of all new establishments survive 5 years or more and about one-third of the new startups survive 10 years or more.

In 2014, there were 9.1 million women-owned firms, employing 7.9 million workers and generating $1.4 trillion in revenues (Womenable, 2014). The "death" rates were lower for female-owned establishments than male-owned establishments for enterprises of 50 or more employees (United States Department of Commerce Economics and Statistics Administration, 2010). Although the total number of new establishments has not been growing as it did before the 2007 economic downturn and the number has actually been much lower than it was during the 2001 recession, the number of women-owned firms has increased, as noted above, more than the overall "birth" rate of new business. Between the higher "birth" rate and the lower "death" rate, the percent of women-owned businesses has been growing.

The growth of female-owned businesses suggests that the prospects for women in business are generally getting better. The *Small Business Administration's Office of Advocacy (*2014*)* defines a small business as an independent business having fewer than 500 employees. In 2011, there were 28.2 million small businesses representing 99.7% of the US firms, 63% of net new private-sector jobs, 48.5% of private-sector employment, 42% of private-sector payroll, 46% of private-sector output, 37% of high-tech employment, 98% of firms exporting goods, and 33% of exporting value. How much of this activity is conducted by women-owned firms? As of 2014, there were nearly 9.1 million women-owned businesses in the United States, accounting for 37.8% of all small business generating over $1.4 trillion in revenues and employing nearly 7.9 million people.

While women-owned firms remain smaller than male-owned firms in terms of average employment and revenues, they are not only showing higher percent growth in numbers but also higher absolute growth in terms of job creation adding an estimated 274,000 jobs since 2007. For comparison, employment in men-owned and equally owned firms has declined over the past 7 years. Between 1997 and 2014, when the number of businesses in the United States increased by 47%, the number of women-owned firms increased by 68%—a rate 145% greater than the national average. Indeed, the growth in the number (up 68%), employment (up 11%), and revenues (up 72%) of women-owned firms from 1997 to 2014 exceeded the growth rates of all but the largest publicly traded firms (Womenable, 2014). More than 75% of female-owned businesses operate in service and retail industries in which women's attributes and inner capabilities appear advantageous.

Resources to Support Female Entrepreneurship

Probably, the best evidence that female entrepreneurship is here to stay is the burgeoning growth of resources devoted to its support. Here are some examples. The Goldman Sach's 10,000 Women Initiative was created with the goal of educating women entrepreneurs in emerging economies. The program helps women to reach their entrepreneurial goals and, in turn, stimulate the overall economy in the communities that these men serve. By the close of 2013, the initiative had enrolled its 10,000th woman (Babson College, 2014). Similarly, the *Coca-Cola 5by20* campaign was launched in 2010 to help women reach their entrepreneurial goals and create sustainable economic climates in their communities by providing them access to business skills, financial services, assets, and support networks. The name *5by20* comes from Coca-Cola's goal of positively affecting five million women by 2020. The campaign currently has programs in 12 countries (Coca Cola, 2013). Recently, Dell launched the "Pay it Forward" initiative to use the power of women's networks to expand opportunities for women entrepreneurs (Dell, Inc., 2013). The campaign works on the premise that if women reciprocate in helping other women achieve their business goals, they can create a global community of women supporting women and these efforts will create a ripple effect. Through this process, Dell has set a goal to track support for 1 million women entrepreneurs by the end of 2015. According to Ingrid Vanderveldt, a well-respected American businesswoman, media personality and investor: "empowering women worldwide and investing in their futures can help drive growth in the global economy and promote economic vitality and security" (2014).

Another female education and funding foundation is Tory Burch. The high-end fashion brand is most popularly known for its classic ballet flat embossed with the gold Tory Burch crest. According to *Forbes* magazine, Tory Burch is worth about $1 billion (Kanani, 2014). Because early on Burch endured the challenges of balancing life-work goals along with the systemic barrier of securing funding, she decided to launch the "Tory Burch Foundation" in 2009, in order to support female entrepreneurs in overcoming their own obstacles. The foundation offers access to capital for loans, specifically through Bank of America through community lenders (Kanani, 2014). It also offers business education, mentoring and networking opportunities. Funding is selective. In order to be eligible, entrepreneurs must have $500,000 in annual revenues.

While there are many barriers hindering women from reaching their entrepreneurial goals, there are also many programs out there with the sole intent of funding women's business ideas. Those mentioned here are only a few of them.

The Intellectual Boundaries of Social Entrepreneurship

Whereas private enterprise and, by extension, entrepreneurship are typically focused on profits and not social problems, social entrepreneurship is more narrowly focused on social problems; it addresses an undesirable equilibrium that relegates people to lives of deprivation and uncertainty about their prospects for the future. "Unlike the entrepreneurial value proposition that assumes a market that can pay for the innovation, and may even provide substantial upside for investors, the social entrepreneur's value proposition targets an under-served, neglected, or highly disadvantaged population that lacks the financial means or political clout to achieve the trans-formative benefit on its own". The ascendency of "pro-poor" policy as a guiding principle in economic development is one outward manifestation of the quest for this new equilibrium. According to Martin (2007, p. 32) "…the entrepreneur is attracted to this suboptimal equilibrium, seeing embedded in it an opportunity to provide a new solution, product, service, or process. The reason that the entrepreneur sees this condition as an opportunity to create something new, while so many others see it as an inconvenience to be tolerated, stems from the unique set of personal characteristics he or she brings to the situation—inspiration, creativity, direct action, courage, and fortitude. These characteristics are fundamental to the process of innovation."

As suggested earlier, there are a number of conceptions of "social entrepreneurship." A useful taxonomy is offered by Dees and Anderson (2006) who suggest that the definitions fall into two categories: the social enterprise school and the social innovation school.

In the view of those in the social enterprise school, a social entrepreneur runs a socially oriented business or takes a market-based approach to a societal problem. In the view of those in the social innovation school, a social entrepreneur is a change champion who seeks large-scale, sustainable changes, as discussed in connection with Schumpeter above, to improve society. In the words of Martin (2007, pp. 34–35), "…the social entrepreneur aims for value in the form of large-scale, transformational benefit that accrues either to a significant segment of society or to society at large." Bornstein (2007) distinguished social entrepreneurs as a transformational force: Relentless individuals with practical vision, stamina, and persistence to achieve their goals and spread their ideas. Indeed, women social entrepreneurs manifest these views.

Convergent definitions suggest that social entrepreneurs are found in all walks of life, in all societal sectors; their goal is to address a serious social problem and that they possess traits that set them apart from other well-meaning people who want to make a difference in the world: Social entrepreneurs are *not* simply businesspeople solving social ills, but people with innovative thinking spreading new approaches—through nonprofits and businesses, or within government—to address emergent and new problems successfully (Bornstein, 2012).

Commonly conceived, social entrepreneurship encompasses a vision for society that has the following elements:

- Social entrepreneurship is an innovative initiative that addresses societal problems that, heretofore, have been inadequately addressed.
- The goal of social entrepreneurship is to create a better society.
- While profit is not the focus of social entrepreneurship, it is not inconsistent with making a profit; in fact, since there is a growing recognition that societal problems require partnerships involving business, government, and the nonprofit sector, social entrepreneurship could well involve profit-making.
- Social entrepreneurship requires innovative, even revolutionary, business approaches that achieve sufficient scope and scale to be effective and sustainable.

So defined, the types of individuals who envision improving society may come from different backgrounds, training, and orientations; they may have different world views and motives for what they do; they may use different methods and structures to accomplish their objectives. These efforts may be undertaken by businesses, nonprofit organizations, or the government, though, increasingly, successful social entrepreneurship will probably require collaboration of more than one, possibly, all of these sectors. Examples of business organizations that meet this definition would include Ben and Jerry's Ice Cream, Newman's Own products, and Grameen Bank. Examples of individuals who were the force behind profound societal change include Dorothea Dix who raised consciousness about and developed practices for treating the mentally ill; A. Philip Randolph who led black porters and maids in forming a union and was a key figure in the civil rights movement; Gifford Pinchot who is considered by many to be the "father" of the conservation movement in the United States and was one of the first to introduce the idea of renewable resources and sustainability; Susan B. Anthony who fought for women's rights; and Florence Nightingale who established modern nursing and the first school to train nurses.

Based on this definition, social entrepreneurship should not to be confused with the work of charitable organizations or mutual benefit associations which are more aptly termed "social enterprises" (Dees and Anderson 2006) than "social innovators" although they are still important institutions and there could well be overlap in the work of and alliances between charities and social innovators.

As Wei-Skillern, Austin, Leonard, and Stevenson (2007, p. 4) so aptly summed up these ideas, social entrepreneurship is an "…innovative, social value-creating activity that can occur within or across the nonprofit, business or government sector."

Why Is Social Entrepreneurship Necessary?

American capitalism has produced an enormous amount of wealth, bestowing a high standard of living and life expectancy creating a huge middle class out of people who, in centuries past, would have lived lives of deprivation with very little separating them from starvation and death at a young age. Between World War II and 1970, the percentage of income increase of Americans across the income spectrum grew fairly evenly and dramatically, doubling over that period. However, the average American household has essentially the same income as in 1970 though it takes two wage earners to secure the same income, adjusted for inflation, and the distribution of income is very uneven. In 2013, the top 3% received 31% of total income and 54% of total wealth (Stone, 2015).

In addition, even as the USA enters its eighth year of economic growth since the Great Recession in 2007–2008, many people remain either unemployed or underemployed and some have become so discouraged that they have either abandoned their search for employment or have settled for part-time work. Capitalism is blind to their needs. And the fact that the skills of American workers have been slipping in comparison to people in many other industrial countries does not suggest that things will improve appreciably for average Americans in the near future. The convergence of these and other events has led to the greatest amount of income and wealth inequality that the United States has ever seen, with fewer and fewer people receiving more and more income and wealth. What a dichotomy! The American economy is doing just fine while average people and their children, who make up a disproportionate number of the American poor, struggle.

In addition, the "nonexcludability" feature of public goods obviates the profit incentive and the solution to problems that might, otherwise, be eliminated. This has left a significant portion of the country's population poor, without adequate medical care, without adequate education and, in some cases, few prospects for improvement. Indeed, capitalism itself creates many problems in the form of spillovers such as pollution, illness, and stress.

Problems have always existed but, besides those mentioned above, several pernicious, secular trends are increasing the need for new approaches within nonprofit, government, and business organizations but, also, approaches that necessarily involve the intimate cooperation of the three sectors:

- The degradation of our natural environmental
- The increasing costs of education and the strain this imposes on average people
- The gulf between those who have information technology and those who don't
- The lagging school performance of the poor as well Blacks and Hispanics
- The burgeoning cost of health care and the concomitant increase in health problems
- Deteriorating prospects for the escape from intergenerational poverty

These problems, increasingly, require bold and inventive solutions characterized by Schumpeterian entrepreneurship but, at the same time, more explicitly anchored in the creation of public value. They will not yield to simple good intentions. If they did, they would no longer exist given the spectacular increase in the nonprofit and governmental sectors in the last few decades.

While the government and nonprofit organizations are bastions against problems that the free market has not solved and has even contributed to, these sectors are beset with their own problems. Governmental agencies at all levels are constrained by demands for limited government and resistance to transfer payments and are less able, in real dollar terms, to support nonprofit organizations; worse, they have increasingly passed unfunded mandates to the nonprofit sector. As for their part, while nonprofit and nongovernmental organizations provide badly needed social services, they must appeal largely to third parties who do not directly benefit from their activity for a large share of their funding and they are often hampered by inadequate business-related skills such as the ability to develop scalable offerings.

According to the *National Center for Charitable Statistics*, there are over 1.5 million 501(c) organizations which account for approximately 10% of all American wages and salaries. Although the number of these nonprofit organizations has continued to grow, the growth has created more competition among them. Accordingly, there is great flux among these organizations, with approximately 16% disappearing over a 5-year period, many probably going out of existence. Though, over time, their revenues have kept pace with inflation, they are in a constant quest for new funds (McKeever, 2016). The results of one study of the problems facing the nonprofit sector are instructive:

- Many development director positions remain vacant for many months; the median vacancy length is 6 months with 46% of all nonprofits reporting even longer vacancy lengths;
- Many nonprofit development officers consider their jobs a setup because of the considerable constraints they face including untrained and unsupportive boards;
- Half of all development officers anticpiate leaving their jobs within 2 years; one quarter anticipate leaving the field within 2 years;

- One quarter of the executives of nonprofits are not satisfied with the skills of their development officers. Many say the talent does not exist in the labor pool. These numbers are higher for smaller organizations;
- Smaller organizations are unable to compete with larger, with nonprofits with budgets up to $1 million paying development officers approximately $49,000 and the largest nonprofits paying over $100,000 (Bell, 2013).

America needs new approaches to its social problems, approaches that are built upon the same type of innovativeness and vision that has driven American business but that have societal problems as their focus and rely on cooperation across all three societal sectors—business, the government, and the nonprofit community. Social entrepreneurship may be a step in that direction.

The Growth of Social Entrepreneurship

Fortunately, there is evidence that social entrepreneurship is growing dramatically. It is impossible to quantify this precisely, largely because social entrepreneurship manifests itself across all sectors and many job titles and because we are nowhere near universal agreement on the precise definition of social entrepreneurship. Nevertheless, there are a number of tangible, quantifiable indications that the interest in social goals is growing and, with it, the need for particular business competencies, buttressed by an understanding of societal issues, social justice, and organizational models that involve partnerships between and among business, nonprofits, and the government. These indicators include the following:

- The number of academic programs, courses, and institutes relating to social sector management or that contain social benefit content is burgeoning. Between 1993 and 2011, the Harvard Business School alone produced approximately 600 cases and books on social entrepreneurship and approximately 600 students enrolled in social enterprise courses and initiatives; each year more than 500 practitioners participate in the HBS's Social Enterprise Executive Education Institute; 1/3 of HBS alumni serve on nonprofit boards; HSB's Social Enterprise Club, with 400 members, is one of the school's largest student clubs; HBS alumni clubs provide $10M annually in pro bono consulting work for social initiatives (Milway & Goulay, 2013).
- The top colleges in the country have doubled their courses relating to managing in the social sector since 2003; 95% of Yale School of Management courses contain social content; the mission of Yale's School of Management is focused on "turning out not only business leaders but leaders for society" (Milway & Goulay, 2013).
- Whereas in the mid-nineties, in mid-level colleges in the USA and Canada, there was only one full program focused on social entrepreneurship, in 2005 there were hundreds of courses and 30 colleges offered full-fledged programs in social entrepreneurship (Hahn, 2005). No doubt, today the number is much higher.

- The business sector's interest in corporate social responsibility has increased exponentially as businesses focus on the triple bottom line and increasingly include social goals in their strategic planning, support their employees in meeting the needs of their communities and establish foundations that give money to for-profit and nonprofit organizations that take on issues with a social purpose. Businesses recognize that this is not only the right thing to do but that it also drives innovation and promotes learning and adds to their bottom line. According to a McKinsey survey, "Valuing Corporate Social Responsibility," environmental, social, and governance programs have soared in recent years, as executives, investors, and regulators have grown increasingly aware that such programs can mitigate corporate crises and build reputations… "Solid majorities of all respondents expect environmental, social, and governance programs to create more value in the next five years" (McKinsey and Company, 2009).
- Not surprisingly, American consumers indirectly support the development of social entrepreneurship by demanding goods provided by socially responsive companies, though they may have to pay a premium for these goods. According to a 2013 Nielsen survey, 50% of consumers compared to 45% in 2011 were willing to pay more for products from companies that are trying to give back to society. Though this is a sentiment most associated with people under 30, it is growing among all age groups, among men as well as women, and across the 58 countries surveyed (Nielsen, 2013).

Writing in 2007, Charles Leadbeater, a pioneer in the field of social entrepreneurship education offered the following observations which outline nicely the progress it made in the previous decade, the need for it, and the direction the field needed to take:

Ten years ago, social entrepreneurs "were a ragtag group of misfits and mavericks, heroic figures, seemingly single-handedly bringing jobs, healthcare and education to deprived communities" with only one school for social entrepreneurs. Now, the "movement" is supported by 30 universities around the world with full-fledged programs and, whereas social entrepreneurship is usually a team effort, it is "fed by an eclectic mix of church groups, venture capitalists, philanthropists, former political activists, community businesses, and the rise of corporate social responsibility."

Third sector social enterprise organizations alone employ around 40 million people worldwide and have 200 million volunteers.

The social entrepreneurship "movement" has increasingly helped itself. Building on the efforts of the pioneer organization, Ashoka, which has recognized and given material support to thousands of social entrepreneurs, many similarly committed organizations have emerged, including Skoll and Schwab and the Community Action Network.

The biggest challenge facing the social sector is figuring out how to scale up its impact, acquire capital, and increase its management skills.

The potential for the growth of social collaboration is enormous, as the internet has opened up new avenues for entrepreneurs in what could become a mass activity (Leadbeater, 2007).

Finally, the federal government and several states have formalized their recognition of social entrepreneurship and the need for it. At the federal level, the Office of Innovation and Entrepreneurship has been established within the *United States Department of Commerce*, "to foster a more innovative US economy focused on turning new ideas and inventions into products and technologies that spur job growth and competitiveness while promoting economic development" (U.S. Economic Development Agency, 2016).

At the state level, several states allow the creation of a brand new form of business organization, the benefit organization. The benefit organization is allowed to make a profit, unlike 501 (c) (3) organizations, as they pursue social missions. The organization must appoint a benefit officer who must report yearly that the organization has, indeed, carried out its mission.

Conclusion: The Role of Women in Entrepreneurship

As discussed earlier, private enterprise has been the almost exclusive province of men. Although women have made steady progress in closing the pay gap, there is still a significant pay gap between men and women; and although women are better represented in management positions than they have been, women are noticeable by their absence from executive suites and boardrooms. However, women have played a much more significant role in distinguishing themselves as social entrepreneurs and are almost as likely as men to be social entrepreneurs. We are not surprised by this and we argue that women, because of their orientation, sensibilities, and skill sets, are uniquely prepared to provide leadership in the quest for equality, fairness, and sustainability that have remained so vexingly out of reach even for the United States and most advanced economies.

Whereas the literature on market-based activity has focused on self-utility maximization and profit seeking behavior, social enterprises seek to create social value and are largely driven by the "other-oriented" motivation of compassion (Miller, Grimes, McMullen, & Vogus, 2012). Compassion is the vital "other-oriented" motivator that "fosters integrative solutions to seemingly intractable social problems…and encourages the commitment needed to undertake demanding and difficult responses." And… "compassion, when combined with the perceived legitimacy of social entrepreneurship, increases the likelihood of launching a social enterprise" (Miller et al., 2012, p. 618).

In this conjuncture, it is interesting to note that, whereas men dominate mainstream (market-based) entrepreneurship and are twice as likely to set up a conventional business organization, women set up social entrepreneurial enterprises almost as often as men (Harding, 2004). This resonates well with studies of the role of gender in career selection. Women disproportionately select certain careers and have distinctly different long-term goals or visions for their future (Evans & Diekman, 2009). "…women, more than men, tend to endorse the values of benevolence and universalism, whereas men more than women, tend to endorse the values of power and achievement, self-direction and stimulation" (Evans & Diekman, p. 237). While the "soft" skills and values (e.g., creativity, energy, and compassion) are difficult to develop, they are also congruent with women's characteristics and the overarching purpose of social entrepreneurship as evident in the success stories and outcomes of women's initiatives described earlier in the chapter. Other aspects of entrepreneurial skills (or hard skills such as business planning and capital options, the primary domain of men's skills) can be learned and nourished by women through training and education (Belasen & Frank, 2012). Fittingly, these roles and skills, dispositional or learned, are predictive of women's abilities to initiate and champion social entrepreneurship ventures.

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