

SOCIAL ENTREPRENEURSHIP: AN EXPLORATION OF FORMAL AND INFORMAL INSTITUTION FACTORS IN PAKISTAN

MUHAMMAD IRFAN

PhD Scholar at Institute of Business Studies and Leadership
Abdul Wali Khan University, Mardan
mirfan@numl.edu.pk

ADNAN AHMAD

Associate Professor at Institute of Business Studies and Leadership
Abdul Wali Khan University, Mardan
adnankhattak@awkum.edu.pk

SYED MOHSIN ALI SHAH

Associate Professor at Institute of Business Studies and Leadership
Abdul Wali Khan University, Mardan
syedmohsinali@awkum.edu.pk

AMIR ISHAQUE

Associate Professor, Department of Business Studies, Air University School of Management,
Air University, Islamabad
amir.ishaque@mail.au.edu.pk

Introduction

"Rethinking business" and "social business" are both ways of looking at the world's big-picture trends, and there seems to be a noticeable shift toward rethinking business and rethinking social business (Baker, 2011). Progressively, studies have been directed at businesses as having more than just an economic or Schumpeterian purpose, where entrepreneurs encourage growth and structural changes in a financial system. They also look at businesses as having a social component (Drayton, 2012). Many scholars and researchers believe that social entrepreneurs have the potential to lead the way for a more sustainable and equitable society, one that is founded on the foundation of meeting local needs and developing new market-oriented solutions (Nicholls, 2011; Urban, 2015; Weerawardena & Mort, 2006).

Rawhouser et al. (2019) defines social entrepreneurship as innovative possibilities that fulfil social demands to accelerate social transformation. Entrepreneurship is universally acknowledged as an important force in economic and social growth (Noruzi, Westover, & Rahimi, 2010; Rawhouser, Cummings, & Newbert, 2019). However, Pakistan has fewer start-ups and less investment than similar nations like Nigeria. While Pakistan's start-up ecosystem seems to be ready for takeoff, considerable upgrades from both the public and private sectors are required. With 140 million people under 30 and an economy growing at 6% annually through 2026, Pakistan should have a robust start-up culture. There should be a slew of entrepreneurs, huge venture capital investment, and possible unicorns (businesses valued at over \$1 billion). But Pakistan is still at the start of the next s-curve of entrepreneurship. One indication is venturing capital investment: the region's top, the UAE, invests \$20 per capita. Pakistan has \$1. Even Bangladesh, with a lower average GDP, has more VC per capita. In Pakistan, just 177,000 SMEs have bank loans outstanding, suggesting a substantial financing need that the formal financial system is not filling.

Achieving the Sustainable Development Goals (SDGs) would necessitate the collaboration of governments and companies. Pakistan is one of the world's youngest countries, and it is predicted to remain so for the next three decades (UNDP, 2018). This will have a significant influence on Pakistan as a country since young may serve as catalysts for the Sustainable Development Goals if properly engaged. Opportunities for social and economic progress have never been higher, but the problems have never been more severe, such as increased population, unemployment, and financial insecurity.



The situation is critical, and it is critical to invest now in young people in order to maximize the country's human growth as well as their well-being. According to a UNDP report (2019) focused on youth development, Pakistan's future human development progress would be determined by how it empowers its youth by providing skills, gainful employment, and meaningful engagement activities. Despite the growing study trend, there are currently few studies on how institutional elements influence entrepreneurial activity (formal and informal), particularly in young emerging economies like Pakistan. According to Short et al. (2009), there is a paucity of formal rigorous techniques and hypotheses in the field of social entrepreneurship. The purpose of this research project is to determine the elements that influence the growth of social entrepreneurial enterprises in Pakistan. The absence of research in the topic of SE in underdeveloped nations, such as Pakistan, is a major concern. Based on earlier research, this research study has discovered and addressed several critical research gaps, such as a scarcity of research on the major causes of SE, among other things (Certo & Miller, 2018). Furthermore, according to several research (e.g., Certo & Miller, 2008), this field requires more investigation in order to give the theoretical underpinnings to educate and guide social entrepreneurs.

Research Methodology

The purpose of this research was to collect in-depth perspectives of social entrepreneurial activities used among small and medium-sized enterprises (SMEs). A wide range of organizations were included by the researcher. NGOs, civil society organizations, academics, impact investors, and persons with visual impairments were all considered by the researcher while attempting to get a better understanding of SE. They were all eager to share their experiences and thoughts. In exchange for their time, they said they'd remain in contact and promised to do so.

Purposive sampling was used in the study's qualitative phase, followed by the snowball approach for enlisting participants. Responses were gathered by selecting people who were informed about the issue and capable of generating significant insights (Ritchie & Lewis, 2003). Sample units are selected because they had certain qualities or characteristics that allow for deep examination and comprehension of the core themes and problems that the researcher wants to examine" (Ritchie & Lewis, 2003). Interviewees in this research must meet the following three requirements:

- ✓ To have worked in Pakistan's social entrepreneurship sector.
- ✓ To be a social entrepreneur in the truest sense.
- ✓ Positioned to lead or participate in social entrepreneurship initiatives.

Starting with his own connections, the researchers used a "snowball" strategy to find others who met the specified criteria. "We establish initial contact with a small number of individuals who are relevant to the study issue and then utilizes them to build connections with others" in snowball sampling (Bryman & Bell, 2011). Because of this, the researcher reached out to people she knows and requested them for help in recruiting participants for the study. Using snowball sampling enables for those participants from various to be recruited, all of whom meet the requirements for participation and may give valuable insight into the research question.

This study used semi-structured interviews to get data. When conducting an interview, respondents were informed of the goal of the research and the interview should last no more than one hour. A Plain Language Statement was supplied, and participants were given the opportunity to ask questions if they needed clarification on the study's design or procedure. A Consent Form was given to each participant once they accepted to participate in the study. Data collection continued until the saturation point was achieved, at which point no new information was gleaned from the interviews, which followed a "theoretical approach". There was a good cross-section of Pakistani cities and provinces represented, with at least one participant from each. There was a total of 17 interviews, ranging in length from 30 minutes to 90 minutes.

Respondents were allowed to discuss any or all their favorite social entrepreneurial activities. It took three weeks to construct the semi-structured interview process. According to participants, several of the questions were rephrased in terms of social entrepreneurial terminologies over the course of the interviews. During the interview, participants were asked to discuss their existing practices and use of social entrepreneurial activities for commercial goals, as well as the management and

operationalization of social entrepreneurship in their day-to-day operations. Respondents were asked to describe their businesses and activities, as well as their connection with social entrepreneurship, at the outset of the interviews. The interview questions are designed to elucidate why and how company owners think about social entrepreneurship.

Urdu is the predominant language spoken in Pakistan, whereas English is the official business language. An initial evaluation of the results shows that participants used Urdu as their primary language. By staying in the original language, avoiding fixed-one-word translations, and describing meaning in numerous English formulations, researchers were able to minimize the loss of information and increase the validity of their cross-English qualitative study. It then re-examined the original results in the source language to ensure that the interpretation was correct. The transcript is checked by a second translator and a member of the group to verify that it is accurate.

After the data collection, a few social entrepreneurs were contacted by the researcher to see how things were going. They urged him to complete his investigation and data collecting on schedule. As a result, to reduce the likelihood of bias, the researcher relied on her own judgment in selecting a representative sample of the population. The researcher devoted a lot of time to identifying the most prevalent characteristics that represent the diversity of a community.

To code the transcripts, a mix of deductive and inductive coding methods was used. In order to correlate the actual data with the larger categories established in the literature, deductive codes were used. When coding social entrepreneurship in reality and the effects of social entrepreneurship on market tactics, a more inductive method was used. Based on the literature on social entrepreneurship, the researcher first built a theoretical framework for the qualitative data analysis. Based on the assessment of relevant research, the list of elements discovered in the literature was synthesized and larger categories of criteria were incorporated in the framework.

The researcher, however, took a step away from the original frame - work and allowed the themes and subthemes to arise throughout the interviews, rather than treating these categories as definitive. When themes and subthemes had arisen, they were compared to the original research framework and a reanalysis of the literature was performed on the results. Repeated processes were used to compare and validate the categorization of subthemes into higher-order themes based on theoretical foundations from the interview data.

New categories emerged throughout the data analysis process, which was a constant refining and return to the literature, resulting in the most accurate categorization of components. As a result, the new conceptual model's themes and subthemes were grouped together since there was sufficient theoretical evidence to justify this. Coding particular codes and quotes was done to confirm that the selected definition of the constructions matched the specific codes and quotations.

After reading and rereading the interview transcripts, the researcher began his investigation. I familiarize oneself with the data and make sense of it, (ii) to adopt a broader summary and an overview of what is being said in each text, (iii) to recognize data that is relevant to ideas or concepts in the main themes and thus discard irrelevant data, (iv) to look for possible trends that arise from the interview data (Creswell, 2013).

The next step in data reduction is to identify the most important themes in the information. The interview questions used in this stage of the study were framed and led by the two contexts of the first framework since the research's goal is to explore how social entrepreneurship is utilized and its effects. Contexts such as these were utilized to deductively organize and categorize the interview material (Creswell, 2013). As stated in Table 2, each theme was granted a unique code to assist the coding process.

Table 2. Research predefined Themes

S.No.	Predefined Themes	Codes
1	Formal Institutional Factors	FIFs
2	Informal Institutional Factors	IIFs

The creation of initial codes was the third step in the data reduction process after identifying the major topics. By labeling and organizing the material into codes, this aids the researcher in breaking

down the transcripts and managing the huge amount of interview information. It is possible for a researcher to utilize three sorts of codes: data-based, predefined codes based on theory, and a combination of the two (Creswell, 2013). As a result of using a hybrid analytic strategy, a combined technique to create codes was used.

Ten initial codes (referred to throughout the thesis as sub-themes) established in accordance with elements linked to each scenario as led by the interview questions have been used as a starting point for this research. These points are then grouped into different categories according to the main themes of the study. As a result, three sub-themes emerged from the data related to formal institutional context that are Government Regulations, Access to Finance, and Public Spending. On the other hand, six sub-themes emerged from the data related to informal institutional context which comprise of Public Service Motivation, COVID-19 Pandemic, Entrepreneurial Attitude, Social Orientation, Innovativeness, and Social Networks.

In both formal and informal institutional context, the newly emerged sub-themes are related in three different manners. Firstly, the compilation of the codes results in viable sub-themes were reviewed and refined using proper coding processes. Secondly, these viable sub-themes were re-examined to see whether they can be arranged in a logical way. Lastly, nine sub-themes using both inductive and deductive approach were discovered during the process which are illustrated in the following table 4.

Table 4. Sub-themes identified in exploratory stage.

S.No.	Main Themes	Code	S.No.	Sub Themes	Code
1	Formal Institutional Factors	FIFs	1	*Government Regulations	GRs
			2	Access to Finance	AF
			3	Public Spending	PS
2	Informal Institutional Factors	IIFs	5	*Public Service Motivation	PSM
			6	*COVID-19 Pandemic	COV
			7	Entrepreneurial Attitude	EntA
			8	Social Orientation	SO
			9	Innovativeness	Inn
			10	Social Networks	SW

Note: Factors with * are newly identified sub-themes

The next stage was to conduct a systematic analysis of each interview transcript after identifying the themes and sub-themes to organize the interview material. This resulted in bits of text that were organized to make sense of the data. To make sense of the interview material and identify and match the extracts to the sub-themes, each of the individual extracts was coded. In several situations, certain excerpts were classified more than once since they were relevant to many sub-themes. Nevertheless, longer excerpts sometimes revealed more than one sub-theme. As a result, it was critical that the connection be made to the applicable sub-theme. It's time to put the information into perspective by looking at it all together. Sections two and three go into further depth about this. In the second phase of data analysis, data is presented to the public. According to Miles and Huberman (1994), it is *"an organized, compressed assemblage of knowledge that allows conclusion drawing and action."* It is a crucial stage in data management and visualization since it allows the researcher to reduce a vast number of raw data into a more manageable amount of data. Visual representation of qualitative data is seen as a beneficial tool for conveying and summarizing the data and for promoting transparency in the analytical process. To put it another way, this stage makes it possible for the findings of the analysis to be shown in a way that is both readily understood and aesthetically engaging. Tables, charts, decision trees, and other geographic formats are all examples of this stage. Two basic data presentation formats, checklist matrix and tables, were utilized in this study to reduce the interview data into a more comprehensible format and to clarify specific elements of the research subject. As for the checklist matrix, it is meant to "organize data into a primary topic, variable or an area of interest", a checklist matrix was used in our research to organize the themes and codes that were found in all of the instances. It was used to illustrate how small and medium-sized businesses (SMEs) are using social entrepreneurship to grow their businesses. The matrix's column headers

identified the researched SEs (SE1-SE15), while each row was allocated a potential opportunity to engage in social entrepreneurship found in phase one of the investigation.

It was previously said that tables were used to illustrate the study's results and clarify the study's primary topics. Using Table 5 as an example, we can see how each transcript's interview material was organized and summarized in a manner that was useful and simple to read. A tracking technique of the retrieved segment was employed to discriminate between the results of each interview transcript. There were two key aspects to assigning a code to each section of the text: a company pre-identified code (SE1, SE2, etc.) and sub-themes to code the text script. For example, the SE1 GRs code refers to the participant of SE1's opinion of the "government regulations" (see Table 4.4). SE9's main informant was tagged as SE9 AF on the "Access to Finance" issue. Researchers may make significant inferences from the results of the qualitative data analysis, which will be described in further depth in the following sections, after they have processed, presented, and organized the raw interview data.

Table 5. Evidence emerged from the interview data.

Themes/Sub Themes		Social Enterprise														
		SE 1	SE 2	SE 3	SE 4	SE 5	SE 6	SE 7	SE 8	SE 9	SE10	SE11	SE12	SE13	SE14	SE15
Formal Institutional	GRs	X					X		X			X				X
	AF			X			X			X	X				X	
	PS				X		X	X						X		X
Informal Institutional Factors	PSM	X	X			X		X					X			
	COV		X						X						X	
	EntA	X		X		X		X		X			X			
	SO		X			X								X		
	Inn			X			X		X		X		X	X	X	
	SW			X	X					X		X				

Qualitative data analysis is a three-step procedure that begins with the collection of data. Researchers try to make sense of data and outcomes by assigning them a meaning in connection to what they are investigating. The conclusion drafting and the process verification are the two key tasks in this stage (Miles & Huberman, 1994).

Initially, we used data presentations to derive conclusions regarding the study question. ' In this scenario, the goal is to gather information from the SEs being studied. It is hoped that these findings will lead to the creation of early constructions that may be utilized to kick off the research's second phase.

The goal of the second activity, verification, is to ensure that the qualitative data analysis is rigorous and trustworthy. Identifying any possible bias in the analysis or misunderstanding of the study results is critical to the success of the research project. Qualitative analysis findings may be verified using a number of different methods including, but not limited to, the following: Smaller numbers of participants from the original sample (SEs owner-managers who participated in the study) were asked to verify the content of the scripts that were being analyzed, and peer checks (i.e., asking for

assistance from another person, a researcher, to verify the data analysis process and check the correctness in the analysis process) were also used.

These techniques aid in spotting any bias that could have crept into the analysis or any potential misunderstanding of the study results. As a result, changes were made to the explanations and discussion of the results. In this research, the analyzed data underwent member checks to assess the validity of the analysis procedure and the analysis outputs.

Main Theme 1: Formal Institutional Factors

Three formal institutional elements influence SE in commercial operations, according to the data study. More in-depth information will be provided in the following paragraphs.

Sub-Theme 1: Government Regulations

A shortage of an appropriate action plan to support social business formation, growth, and sustainability in Pakistan was also found to be the case in a study of Pakistan's social enterprise sector. It is very difficult for Pakistan's government to recognize the importance of social businesses in the country's economy. The development of social entrepreneurship is being hindered by constant policy changes. Additional government funding is needed to recognize social entrepreneurship as a key contributor to the social investment sector in Pakistan, since the existing level of support for third-sector organizations is quite small. Case study participants say that social companies are making a significant impact on the Pakistani economy, which is why they deserve recognition. It is becoming more difficult for social entrepreneurs to compete with conventional firms in the same area because of rigorous government regulations and a lack of recognition of their social worth. The most significant obstacle to the expansion of social entrepreneurship has been identified as the absence of a high-level plan that includes professional support measures. Interviewees indicated that, because of a lack of coordination and knowledge of the 'social sector's' requirements inside the government, the 'sector' has suffered. As a result, the social business sector has to build strong strategies that can endure government changes. Case study participants' responses, as quoted below, confirm the conclusions of the difficulties in government policies and recognition of social companies.

"Most difficult, in my opinion, are the constantly shifting regulations. Government can be quite irritating, you know, and they frequently, so thinking and that's annoying and if they connect things like "homelessness work," "benefits work," and "health work," that may be extremely useful. ". That would be a wonderful thing if kids were able to see that businesses are philanthropic. Our investment in the national government decreased after 2014 because of a political party's belief that it must do something different from what the previous administration had done. I believe we went through a difficult period since investment had been rising steadily up until that point. As a result, the whole housing sector has been shifted from a primary care trust to a commissioning group. I'm talking about a massive shift, a huge error, squandering billions of dollars, and so on and so on. That's what I'm referring about." (Assistant Director Strategy, SE1)

"When it comes to contracts, we compete with more traditional firms, charging commercial rates and reinvesting the proceeds to further the social good for which we stand. However, we are taxed like a corporation and governed like a non-profit, which is not ideal. As a CIC, we get the best of both worlds. Playing the center is a thankless task. Recognition of social companies for their uniqueness and their value as a commercial choice. It's also important to recognize the advantages that non-profits have over for-profit businesses. Make it simpler for social entrepreneurs to operate by implementing new rules." (M.D, SE 6)

"In 2012, the Social Value Act was introduced, which was a solid first step. However, apart from social entrepreneurship initiatives, government support for local and national governments is abysmal and much more must be done. Our efforts must be supported by the government." (Business Development Manager, SE 8)

In addition to the conclusions of this study, prior studies such as the European Commission's (2015) report revealed that a shortage of funding for social start-ups is one of the most significant obstacles facing social companies in most European nations. As the study revealed, there are less options for social entrepreneurs to expand and scale as a result, which is concerning. In addition, existing research shows that a legal structure is needed to "give legitimacy and visibility to social companies,"



which is another hindrance for social enterprises. Also lacking are regulatory frameworks that may attract tax advantages associated to the advancement of a social purpose, and that enable social businesses to engage in unrestricted economic activity (European Commission, 2015). "The absence of a specialized legal framework for social entrepreneurship in many countries is regarded to present two unique challenges," according to existing research.

There are two problems here: first, prospective social companies may get perplexed about the legal structure they should take; second, government agencies may have difficulty devising programs to encourage social entrepreneurship. Creating a legal structure tailored to social companies may be time-consuming and requires registration with a variety of government agencies, as well.

Sub-Theme 2: Access to Finance

Lack of knowledge and acknowledgment of social enterprise's position in the third sector has negative consequences on acquiring external assistance, access to financing, establishing credibility as a social purpose venture and lucrative company, financial sustainability, and recruiting sufficient human resources. Interviewees cited financial resources and government resources in terms of policy and recognition as vital but difficult to achieve. According to research, social entrepreneurs struggle with fundraising and subsidies. For social businesses offering professional services, frequent clientele and steady revenue flows are essential to long-term financial stability, according to a new study. However, because of their legal structure and prevailing perceptions that they are neither a fully operating corporation nor a venture with a social purpose, new social businesses have difficulty obtaining outside funding. Social companies confront several difficulties in obtaining capital and other financial resources, as the following quotations demonstrate:

"The most difficult obstacle is obtaining funds, as well as providing assistance to small enterprises and competing for funding with other organizations, who give far more and have a greater positive social effect." (SE Development Coordinator, SE10)

"It is necessary for there to be more organizations that aid with social enterprises in the form of advice and money, among other things. For example, the way things are going with Covid-19 right now. The government must increase the amount of money it invests in this area." ... (Managing Director, SE3)

"Due to the lack of assurances, social enterprises are unable to obtain some forms of funding, such as equity investment. Another consideration is the scalability of our social business, which refers to how we develop and how we invest in reasonable ways to have the biggest potential social effect in terms of our time, money, and the capacity of the organization to stay financially stable. We also face the difficulty of reasonable and scalable expansion, which is referred to as "sensible growth." (M.D, SE 6)

"Due to the fact that they donate or allocate a significant portion of their revenues to the cause they work for, most social businesses have financial and marketing challenges. Due to the social effect of social companies, funding and subsidies should be made accessible. There is a need for policy reform. Social businesses must be subjected to a more equitable taxation regime. Tax rates are more flexible than those of other organizations. On an annual basis, we are required to disclose our impact in accordance with a set of guidelines." (M.D, SE9)

Sheldon and Li (2013) stated that "accessing external money or assistance via investment contracts and alliances might be helpful to social businesses since it promotes organizational independence and resilience." These findings are consistent with the current literature. Studies have shown that "social entrepreneurs believed that the social finance sector did not understand or respect their social effect adequately" (Sakarya, et al., 2012). Researchers found that "instead of a 'supply-side,' resource-based difficulty restricting the expansion of the social businesses, it is rather demand-side deficiencies centered on a lack of financial access," according to their findings. Social businesses are also underrepresented in the social investment sector, according to the results of our study. It was also found that "social investment market perceptions of social enterprises are based on financial sustainability, robust governance structures, broad and complementary management, team skill sets, clearly defined and scaleable social missions and impacts," and a willingness and desire to seek investment, according to previous research by (Hazenberg, et al., 2016).

Sub-Theme 3: Public Spending

We stress the relevance of government expenditure in terms of formal institutions. When new political ideologies emphasize citizen self-sufficiency and prioritize market-driven forms of welfare, governments have been systematically retreating from the provision of public goods in many industrialized and developing nations (Leadbeater 1997). In this regard, a manager reported that:

"I believe that government spending policies motivate small businesses to pursue entrepreneurship because they provide support systems and enable business owners to take calculated risks without worrying about going broke in the case of failure" (Manager, SE4).

The "supply side" of public-goods resources has remained or reduced in many jurisdictions consequently (Sharir and Lerner 2006). A similar point was made by Cornwall (1998), who noted that in nations where social services are sparse and mostly provided by public organizations, social entrepreneurs are becoming more prevalent. Since the public sector has mobilized large efforts in different times but has been unable to adopt models that include and preserve their efficiency and effectiveness, Friedman and Desivilya (2010) suggest that the work done by governments and social entrepreneurs is complimentary. Social entrepreneurs, on the other hand, set the bar high for others to follow with their own initiatives. For instance, a managing director stated:

"I would rather argue that the approach adopted by governments and social entrepreneurs is complementary to the process of channelizing state financing" (M.D. SE13).

Yet recent empirical research shows that public spending has a detrimental influence on the establishment of new social companies (Alvord et al. 2004; Austin et al. 2006; Cornwall, 1998). which is also evident from the interview data:

"My company believes that entrepreneurship and inventions are public goods that should be supported by the government through subsidies, tax breaks, or grants, much like other public goods like clean air and water" (Owner, SE15).

As a result, a rise in social entrepreneurship is projected in countries with low levels of public investment.

Main Theme 2: Informal Institutional Factors

Six informal institutional elements impacting SE in business operations have been discovered by the data analysis. More in-depth information will be provided in the following paragraphs.

Sub-Theme 1: Public Service Motivation

Studying social entrepreneurs' motivational profiles, identity, and work ethic is an important part of the work being done in this current area of study. An individual's personal drive is the driving force behind a new entrepreneur's actions and pursuit of new chances, even if other elements, such as social networks, money, and regional qualities, have an impact (Hechavarria et al., 2012). Hence, gaining a grasp of SE motivation is a critical first step in gaining an understanding of SE activity in general, including how to establish a social enterprise and how to measure its consequences. During the interview one of the managing director said:

"I can declare with great assurance that public service motivation is essential for maintaining hope and clarity when things get difficult and disheartening. Entrepreneurial motivation is emphasized by our businesses since it is crucial to our choice to start the process of starting a business. People who are entrepreneurs interact and work with value motivation as well" (M.D. SE12).

The need for personal fulfillment, the desire to help society, a non-monetary focus, achievement orientation (N-ACH), and proximity to the social problem at hand were all found to be common SE motivational bases in a recent qualitative study conducted with self-identified nascent social entrepreneurs by Germak and Robinson (2014). It is also evident from the examination of the interview data as reported by one of the owner:

"Despite the fact that our company is young and modest, all our work focuses on entrepreneurial conduct, which is the outcome of entrepreneurial motivation. It alludes to the internal mental state that stimulates, prompts, and guides conduct toward our long-term objectives. I think of motivation as a process that spurs someone to action and encourages him to stick with a path of activity until the desired outcomes are attained" (Owner. SE7).



The study's social entrepreneurs were found to have a strong connection to each of these sources of inspiration. The results of this research propose a motivational profile that combines these SE motivational underpinnings.

Sub-Theme 2: Impact of Covid-19 pandemic (Macro Environment factors)

Societal instabilities may not deter social businesses, but they are nonetheless vulnerable to macro-environmental influences, as shown by the conclusions of the research conducted on the subject. The present covid-19 epidemic has shown the social and economic constraints of the global system, it was discovered. In contrast, local economies relied on social entrepreneurship during the epidemic. The pandemic might have a negative influence for social businesses notwithstanding their good deeds and long-term commercial plans, according to the research. New creative social business models are needed to counteract the probable post-Covid-19 economic instability, according to the conclusions of the data collected by the research team. According to the findings of the research, the public sector is a significant source of revenue and assistance for nonprofit organizations (predominantly in terms of grants and subsidies). The present Covid-19 epidemic has led to a major reduction in government expenditure in recent years. Real social expenditure is likely to fall during the next several years. In the long run, this might lead to a decrease in the availability of public funds in critical areas for social entrepreneurs. This will further limit the growth of the social business industry. These excerpts from the interview show how the Covid-19 epidemic have affected social businesses. "Due to COVID-19, several of our financial sources have dried up, which has made things difficult. The present lockdown and limitations have had a major impact on our business strategy. Over the years, we've had several volunteer directors who've gone on to start their own companies. One of our greatest difficulties has been Covid-19, which has been the worst thing that has ever happened to us." (M.D, SE5) "A revenue drop at the conclusion of the fiscal year is possible in scenarios like COVID-19. Opportunities for the long term must be available to us" (Managing Director, SE 3).

"Because of Covid-19 and what it may do to the Pakistani economy, I believe our firms will spend less on hiring, especially for specialized positions." (Business development Manager, SE 8) "Due of the current COVID-19 outbreak, we are forced to appeal for grants and financing in order to remain financially viable" (Company Director, SE 9).

According to the findings of this study, "the impacts of the COVID-19 pandemic on social entrepreneurship remain unknown at this time," according to previously published research. A growing body of research suggests that social businesses' financial performance, problems, and possibilities during and after the epidemic should be the primary focus of any analysis of the pandemic's effect on the sector (Weaver, 2020). After the Covid-19 outbreak, social companies may experience difficulties in securing investment and securing financing. According to previous research (Battilana, 2018), social entrepreneurs have challenges in obtaining finance for their start-ups, pricing their products, and controlling their cash flow as well as growing their operations (Hynes, 2009). Some social enterprises, on the other hand, live within their means and refuse to accept loans out of worry that economic crises, such as the one created by current epidemic, may put them in debt (Weaver, 2020). After Covid-19, social companies may also have to deal with the issue of balancing their social and financial objectives. An emphasis on generating 215economic value that supports organizations during the epidemic and beyond" is needed in this uncertain period, according to Weaver (2020). Social businesses, according to a recent study by Weaver (2017), need strong strategies for implementing innovations that may solve challenges created or aggravated by the avian influenza virus epidemic.

Sub-Theme 3: Entrepreneurial Attitude

Entrepreneurial mindsets, including entrepreneurial culture and social image, as well as the impact of the media are two more examples of non-formal institutional variables that may influence social entrepreneurship. According to the OECD (2010), the promotion of entrepreneurial awareness and positive attitudes toward commercial and social entrepreneurship are among the most important items on the policy agendas of many nations. Examining the interview data, it was observed that entrepreneurial attitude has a significant effect on the social entrepreneurship development as evident from the following quotation: "As the department head, I firmly believe that business owners



should be enthusiastic about their concepts, objectives, and, of course, their organizations” (Manager. SE12).

There is evidence to indicate that the formation of varied cultural values in different cultures influences the decision to start a new firm. Additionally, there is data to show that not all nations foster entrepreneurial activity (both commercial and social) in the same manner. Entrepreneurial activity varies widely from country to country, according to Shapero and Sokol (1982). It is also observed during an interview as one of the assistant director reports:

“I am adamant that any enterprise should, in general, be excited about its ideas, goals, and, of course, its organizations. They ought to concentrate on the sources of insecurity. When these entrepreneurs encounter obstacles, they do so with integrity and a strong work ethic” (Assistant Director. SE1).

People from various cultures have varied views on the feasibility and desirability of starting a new enterprise or organization, they claim. Individuals' propensity to start their own businesses might be influenced by their perceptions of these policies. More individuals may create new social groups because of this excellent public image. Differences in the sociocultural milieu might have an impact on how social entrepreneurs are seen by their peers, boosting, or discouraging their career choice. One of the interviewees describes the country level attitude towards social entrepreneurship as:

“My company upholds fundamental principles including integrity, dependability, respect for others, creativity and innovation, exceptional performance, and independence. since attitudes are psychological characteristics that influence our behavior. My seven years of service taught me that personal experiences, associations, and social learning are the main sources of attitudes” (Owner. SE5).

Finally, media coverage of social entrepreneurs is another institutional aspect that may have an impact on social entrepreneurial activities. New enterprises may be launched in large part because of stories published in the media. As a result, if the media portrays social entrepreneurship in a good light, it might encourage more individuals to pursue a career as a social entrepreneur, hence increasing the number of social entrepreneurs in the world.

Sub-Theme 4: Social Orientation

First and foremost, a possible social entrepreneurship endeavor is predicated on the social purpose taking precedence over all other corporate goals, as previously said (Dees 2001). Even though there are many different meanings of social, In the field of social entrepreneurship and institutional factors, there is general agreement that the social purpose is the primary driver of the formation of a social venture. In this view, belonging to a social group, having post-materialistic ideals, and being altruistic are all examples of social orientation. To put it another way, a company's social purpose is defined as the discovery of an unmet social need or a new opportunity to create social benefit (Mair and Marti 2006).

“We discover that the customer focus and business effectiveness in the market are significantly impacted by the entrepreneurial social orientation. Additionally, we discover that the three aspects of creativity, risk-taking, and order to meet this objective outperform independence and competitive aggressiveness in terms of relevance and performance” (Manager. SE13).

According to Cornwall (1998) and Wallace (1999), social entrepreneurs are entrepreneurs who take on the social duty to enhance their communities. Non-profits have been around for decades, but social entrepreneurship has recently emerged as an autonomous movement with a mission to alleviate social ills and promote the non-profit sector's foundations (Mair & Marti 2006). Because of this, social entrepreneurs can see new possibilities and transform themselves into altruistic, more sensitive citizens who are unsatisfied with the current quo and inspired to take action with social responsibility as their top priority (Corner and Ho 2010; Zahra et al. 2008).

“Our business is convinced that social entrepreneurs may discover new alternatives and develop into compassionate, perceptive citizens who are driven to act with social responsibility at the forefront of their minds because they are dissatisfied with the established order” (Owner. SE5).



Summarizing, it has been suggested that social attitudes play a significant role in the social entrepreneurship process and influence people's views on social enterprises as effective tools for social change.

"Once our company's social attitudes were clearly defined, the entire organization played a big part in the social entrepreneurship process and influenced consumers' perceptions of social businesses as powerful agents of social change" (Manager. SE2).

Sub-Theme 5: Innovativeness

Innovativeness, according to Lumpkin and Dess (2001), may be characterized as a willingness to experiment with new goods and services, as well as new processes, as well as a willingness to take risks. Entrepreneurs, according to research in the field, have a higher level of inventiveness than the average person (Kirby 2004; Timmons 1989).

"If you ask me why social innovation is significant, I'll tell you. I'd be honest and say that social innovation is what drives the development of these sustainable practices and helps unlock answers to environmental problems. While emphasizing employee empowerment to broaden their skill sets and have a local or even worldwide influence on society is another aspect of social innovation" (M.D. SE6).

Think unconventionally, question preconceived notions, and solve problems in a flexible and adaptive manner (Kirby 2004; Solomon and Winslow 1988). In the field of social entrepreneurship, several authors (Chell et al. 2010; Mair and Marti 2006; Peredo and McLean 2006) have seen that social entrepreneurs have a wide variety of innovative tools or strategies to choose from to accomplish their social mission. This is because social problems are multidimensional in nature.

"In a sentence I would sum up that the social innovation is the process of creating new social structures that allow issues to be reframed with justice, resilience, and community engagement in order for new solutions to emerge" (Business Developer Manager. SE8).

According to Alvord et al. (2004), who argue that a lack of resources can also inspire social entrepreneurs to be more creative, the lack of resources may inspire social entrepreneurs to be more inventive. Alvord et al. (2004) note that the lack of resources may also inspire social entrepreneurs to be more inventive. Because of this, we may think of creativity as a major factor to take into account while analyzing the actions of social entrepreneurs (Lepoutre et al. 2013; Lumpkin et al. 2013; Nga and Shamuganathan 2010).

Sub-Theme 6: Social Networking

Recent research in the field of social entrepreneurship mostly shares a consensus about the significance of social networks to the business-building process. In particular, previous studies have shown that in order for social entrepreneurs to be successful in putting their own social projects into action, they need to be proactive in the formation of their own networks and invest significant amounts of time and effort into the construction of those networks (e.g. Thompson et al. 2000, Sharir and Lerner 2006, Leadbeater 2007, Shaw and Carter 2007). This long-held position in entrepreneurship is supported by the findings of case studies (Johannisson 1986, 1988), which also demonstrate that networks become crucial aspects for the implementation of the social business. The importance of networks was emphasized in all seven of the situations studied in our study. Through their personal networks, all of the social entrepreneurs were able to overcome their lack of resources (human, financial, etc.) to build their social enterprises. For example, SE3 reported that some of the workers (and their friends) first worked on a volunteer basis. "

"In order to carry out the social project and operate the business, the act of mobilizing resources was vital, convincing people to devote cash, labor, effort, and creativity to a project of doubtful success," one of the interviewees confirmed (SE4).

According to the SE9, "the local population was very important for the implementation of our project... the people's positions and opinions concerning the promotion of Pashtun culture facilitated their engagement in our enterprise, not only from an economic, but also from a human effort standpoint."

When we first began operating out of Peshawar in 2011, our social network played a significant role as it determined the viability of the rest of the SE11 project. Interviewees' views on the significance

of networks in SE were influenced by their thoughts on the social purpose that underlies the social enterprise. 'Our firm is directly focused on the benefit of our community, and this inspired the local people to play a vital part in our whole entrepreneurial process,' said one of their founders (SE4). As a result of this, SE4 and SE9, as well as SE9 and SE11, all emphasized the importance of social networks in the implementation process of a social enterprise. From our qualitative data, it can be concluded that social networks have a significant impact on the success of social companies.

Findings of the Qualitative Data

Exploratory interviews with social entrepreneurs in Pakistan were conducted. In the first place, we'll go over what SE is and what it does, as well as how to use it. Next, Pakistan's SE is described in terms of both official and informal institutional characteristics.


As a result, this research examined the two major categories of SE owners/managers in connection to their answers to the two main categories of SEs. Table 6 summarizes the outcomes of this study's qualitative analysis. Consequently, the conclusions of the qualitative data pertaining to each chosen topic are presented.

Table 6. Findings of the qualitative phase

	Themes/Sub Themes	Code	Evidence
Formal Institutional Factors	*Government Regulations	GRs	SE1, SE6, SE8, SE11, and SE15
	Access to Finance	AF	SE3, SE6, SE9, SE10, and SE14
	Public Spending	PS	SE4, SE6, SE7, SE13, and SE15
Informal Institutional Factors	*Public Service Motivation	PSM	SE1, SE2, SE5, SE7, and SE12
	*COVID-19 Pandemic	COV	SE2, SE8, and SE14
	Entrepreneurial Attitude	EntA	SE1, SE3, SE5, SE7, SE9, and SE12
	Social Orientation	SO	SE2, SE5, and SE13
	Innovativeness	Inn	SE3, SE6, SE8, SE10, SE12, SE13, and SE14
	Social Networks	SW	SE3, SE4, SE9, and SE11

REFERENCES

- [1] Alvord, S. H., Brown, L. D., & Letts, C. W. (2004). *Social entrepreneurship and societal transformation: An exploratory study. The journal of applied behavioral science*, 40(3), 260-282.
- [2] Austin, J., Stevenson, H., & Wei-Skillern, J. (2006). *Social and commercial entrepreneurship: same, different, or both?. Entrepreneurship theory and practice*, 30(1), 1-22.
- [3] Baker, M. J. (2011). *Why 'Social Business'? Social Business*, 1(1), 1-15.
- [4] Battilana, J. (2018). *Cracking the organizational challenge of pursuing joint social and financial goals: Social enterprise as a laboratory to understand hybrid organizing. Management*, 21(4), 1278-1305.
- [5] Bryman, A., and Bell, E. (2011). *Business Research Methods. 3rd Edition. Oxford: Oxford University Press.*
- [6] Certo, S. T., & Miller, T. (2008). *Social entrepreneurship: Key issues and concepts. Business Horizons*, 51(1), 267-271.
- [7] Chell, E., Nicolopoulou, K., & Karatas-Özkan, M. (2010). *Social entrepreneurship and enterprise: International and innovation perspectives. Entrepreneurship & Regional Development*, 22(6), 485-493.
- [8] Corner, P. D., & Ho, M. (2010). *How opportunities develop in social entrepreneurship. Entrepreneurship theory and practice*, 34(4), 635-659.
- [9] Cornwall, J. R. (1998). *The entrepreneur as a building block for community. Journal of developmental entrepreneurship*, 3(2), 141.
- [10] Creswell, J. W. (2013). *Steps in conducting a scholarly mixed methods study.*
- [11] Dees, S. (2001). *The opening policy in China: Simulations of a macroeconomic model. Journal of Policy Modeling*, 23(4), 397-410.
- [12] Friedman, V. J., & Desivilya, H. (2010). *Integrating social entrepreneurship and conflict engagement for regional development in divided societies. Entrepreneurship & Regional Development*, 22(6), 495-514.
- [13] Germak, A. J., & Robinson, J. A. (2014). *Exploring the motivation of nascent social entrepreneurs. Journal of Social Entrepreneurship*, 5(1), 5-21.
- [14] Hazenberg, R., Bajwa-Patel, M., Mazzei, M., Roy, M. J., & Baglioni, S. (2016). *The role of institutional and stakeholder networks in shaping social enterprise ecosystems in Europe. Social Enterprise Journal*, 12(3), 302-321.

- 
- [15] Hechavarria, D. M., Ingram, A., Justo, R., & Terjesen, S. (2012). Are women more likely to pursue social and environmental entrepreneurship?. In *Global women's entrepreneurship research*. Edward Elgar Publishing.
 - [16] Hynes, B. (2009). Growing the social enterprise-issues and challenges. *Social Enterprise Journal*, 5(2), 114-125.
 - [17] Kirby, D. A. (2004). Entrepreneurship education: can business schools meet the challenge?. *Education+ training*, 46(8/9), 510-519.
 - [18] Koe Hwee Nga, J., & Shamuganathan, G. (2010). The influence of personality traits and demographic factors on social entrepreneurship start up intentions. *Journal of business ethics*, 95, 259-282.
 - [19] Leadbeater, C. (1997). The rise of the social entrepreneur (No. 25). Demos.
 - [20] Leadbeater, C. (2007). Social enterprise and social innovation: Strategies for the next ten years. A social enterprise think piece for the Cabinet Office of the Third Sector.
 - [21] Lepoutre, J., Justo, R., Terjesen, S., & Bosma, N. (2013). Designing a global standardized methodology for measuring social entrepreneurship activity: the Global Entrepreneurship Monitor social entrepreneurship study. *Small business economics*, 40, 693-714.
 - [22] Lewis, J., Ritchie, J., Ormston, R., & Morrell, G. (2003). Generalising from qualitative research. *Qualitative research practice: A guide for social science students and researchers*, 2(347-362).
 - [23] Lumpkin, G. T., Moss, T. W., Gras, D. M., Kato, S., & Amezcua, A. S. (2013). Entrepreneurial processes in social contexts: how are they different, if at all?. *Small Business Economics*, 40, 761-783.
 - [24] Mair, J., & Marti, I. (2006). Social entrepreneurship research: A source of explanation, prediction, and delight. *Journal of world business*, 41(1), 36-44.
 - [25] Miles, M. B., & Huberman, A. M. (1994). *Qualitative data analysis: An expanded sourcebook*. sage.
 - [26] Nicholls, A. (2011). social enterprise-at the forefront of rethinking business?.
 - [27] Noruzi, M. R., Westover, J. H., & Rahimi, G. R. (2010). An exploration of social entrepreneurship in the entrepreneurship era. *Asian Social Science*, 6(6), 3.
 - [28] Peredo, A. M., & McLean, M. (2006). Social entrepreneurship: A critical review of the concept. *Journal of world business*, 41(1), 56-65.
 - [29] Rawhouser, H., Cummings, M., & Newbert, S. L. (2019). Social impact measurement: Current approaches and future directions for social entrepreneurship research. *Entrepreneurship theory and practice*, 43(1), 82-115.
 - [30] Sakarya, S., Bodur, M., Yildirim-Öktem, Ö., & Selekler-Göksen, N. (2012). Social alliances: Business and social enterprise collaboration for social transformation. *Journal of business research*, 65(12), 1710-1720.
 - [31] Shapero, A., & Sokol, L. (1982). The social dimensions of entrepreneurship. University of Illinois at Urbana-Champaign's Academy for Entrepreneurial Leadership Historical Research Reference in Entrepreneurship.
 - [32] Sharir, M., & Lerner, M. (2006). Gauging the success of social ventures initiated by individual social entrepreneurs. *Journal of world business*, 41(1), 6-20.
 - [33] Shaw, E., & Carter, S. (2007). Social entrepreneurship: Theoretical antecedents and empirical analysis of entrepreneurial processes and outcomes. *Journal of small business and enterprise development*, 14(3), 418-434.
 - [34] Sheldon, P., & Li, Y. (2013). Localized poaching and skills shortages of manufacturing employees among MNEs in China. *Journal of world Business*, 48(2), 186-195.
 - [35] Short, J. C., Moss, T. W., & Lumpkin, G. T. (2009). Research in social entrepreneurship: Past contributions and future opportunities. *Strategic entrepreneurship journal*, 3(2), 161-194.
 - [36] Solomon, G. T., & Winslow, E. K. (1988). Toward a descriptive profile of the entrepreneur. *The Journal of Creative Behavior*.
 - [37] Thompson, J., Alvy, G., & Lees, A. (2000). Social entrepreneurship-a new look at the people and the potential. *Management decision*, 38(5), 328-338.
 - [38] Timmons, J. A. (1989). *The Entrepreneurial Mind*. Brick House Publishing Co., 3 Main St., PO Box 512, Andover, MA (clothbound: ISBN-0-931790-84-0; paperback: ISBN-0-931790-85-9, \$18.95).
 - [39] Urban, B. (2015). Evaluation of social enterprise outcomes and self-efficacy. *International Journal of Social Economics*.
 - [40] Wallace, S. L. (1999). Social entrepreneurship: The role of social purpose enterprises in facilitating community economic development. *Journal of developmental entrepreneurship*, 4(2), 153.
 - [41] Weaver, R. L. (2020). The impact of COVID-19 on the social enterprise sector. *Journal of Social Entrepreneurship*, 1-9.
 - [42] Weerawardena, J., & Mort, G. S. (2006). Investigating social entrepreneurship: A multidimensional model. *Journal of world business*, 41(1), 21-35.
 - [43] Zahra, S. A., Rawhouser, H. N., Bhawe, N., Neubaum, D. O., & Hayton, J. C. (2008). Globalization of social entrepreneurship opportunities. *Strategic entrepreneurship journal*, 2(2), 117-131.