

MANAGING THE DEVELOPMENT OF SOCIAL ENTREPRENEURSHIP

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Abstract: *The rapid growth of social entrepreneurship is characterized by an increase in social inequalities alone poverty in the world, which is a consequence of the development of globalization. About social entrepreneurship and its achievements in Bosnia and Herzegovina generally how little he knows and works, which is why it is the space for I'm still challenge for systematic research. This research is based on the development of social entrepreneurship and the importance of the application itself pointing adoption of this form of business in the next period in our region. The survey was conducted with the aim to highlight the importance of developing social entrepreneurship that provides this type of business, as well as to determine the level of knowledge in this kind of business. For this kind of research is used the qualitative research type and it was created a questionnaire. The questionnaire consists of five questions, after completing research on a representative sample, the empirical data are processed and statistical programs: SPSS 22 and Stat Plus 2009. The work is set I tested the following null hypothesis H_0 -Development of social entrepreneurship can successfully function on the territory of the Republic of Srpska/Bosnia and Herzegovina.*

Keywords: *management, entrepreneurship, development, analysis.*

Jel code: L26, E21, D57, M11

INTRODUCTION

Entrepreneurship is a way of thinking, that is, the process of creating and developing economic activities by combining risk, creativity and / or innovation with a reliable management structure within a new or existing organization. (Europska komisija, 2003)

The institutional framework that is suitable for entrepreneurship consists of „fundamental political, social and legal rules that reinforce the basis for production, exchange and distribution. (Smallbone & Welter, 2003)

Economic development represents an increase in production and national income, a reduction in unemployment and poverty, with some structural changes in the functioning of the given economy. It is the unity of movement and development, that is, the most general form of movement and development of the economy. (Vidović, 2016)

The world needs a comprehensive reassessment of our understanding of value – its parameters and its effects – to restore trust in economic and business decision-making, and achieve investment that contributes towards financial stability and sustainable development. (Del Baldo & Baldarelli, 2017)

Since the turn of the century we have witnessed the growth of one an interesting business model in which a major role is taken by man and the society, and their needs. In the field of social entrepreneurship there is a huge base on which can still be researched and provoked creating intellectual as well as social and practical benefits. (Kalinov, 2017)

The entry into the world of entrepreneurship also has certain risks that can be identified with the opening of a new business. The most common shortcomings of entry into entrepreneurship are uncertainty of income, risk of loss of invested capital, undefined working time and hard work, poor quality of life during business creation, high level of stress, unlimited liability, and discouragement. Under the provisions of the Law on the Development of Small and Medium Enterprises, entrepreneurship is considered as an innovative process of creating and developing business ventures or activities and creating business success on the market. (Vlada RS, 2013)

Habitual entrepreneurs are a frequent and important phenomenon in entrepreneurship and for the economy. We lack, however, a systematic understanding of the advantages or disadvantages of multiple business ownership and specifically if portfolio and serial entrepreneurs are different in detecting and exploiting opportunities. (Kirschenhofer, Lechner, & Dowling, 2016)

Achieving success in business depends on the performance of the tasks of management and internal coordination and the efficiency with which the company competes. (Vargas-Hernández, 2016)

REVIEW OF LITERATURE

Social entrepreneurship represents the potential of solving basic social problems such as: poverty, unemployment, environmental pollution, and so on.

Additionally, education in social entrepreneurship also suffers „ from a lack of a clear theorizing“ (Pache & Chowdhury, 2012)

Social entrepreneurship involves social value creation activities and like many change-oriented activities does not take place in a vacuum. Rather, it develops within a complex context of political, economic, and social changes and on the local and global levels. (Razavi , Asadi , Esfandabadi, & Ekbatani , 2014)

Although social entrepreneurship is a relatively new concept, traces can be found in the history of entrepreneurship development. Humanitarian associations exist since the middle ages, and long history also has agricultural cooperatives, credit unions, mutual societies, endowments and foundations.

In the period between 1950-1990. The leading expert in the field of social entrepreneurship is Michael Young, who is considered to be the most successful world entrepreneur in the field of social entrepreneurship, the creator of the School for Social Entrepreneurs, this school supports individuals to realize their individual potential, establish and sustain social enterprises as well business based on social components. Today, a more prominent social enterprise is the Grameen Group. The Grameen Group operates in the form of a network consisting of 30 sister companies linked to Bangladesh Grameen Bank, the founder of the idea of micro-crediting, which has so far approved loans of more than 7, 5 million euro's to poor people, 97% of which are women. In the literature, the criteria identified by researchers from the (European Research Network), are often used to identify social enterprises and their clear profiling.(EMES)

Social entrepreneurship is defined as „a business whose primary goals are primary and where income is reinvested according to the same (social) goal rather than maximizing the profit of stakeholders or owners.

On the one hand, value creation involves innovative activities and initiatives that benefit stakeholders beyond the individual and/or organizational level. On the other hand, value capture involves benefits that are realized by specific individuals and/or organizations. (Mars & Burd , 2013)

In Western Europe, social enterprises first appeared in the late 1970s, when the first manifestations of the state's inability to meet the needs of all citizens met with their regulation, and to tackle the growing inequality and social inclusion, mostly caused by the reduction of economic growth and employment. The

growing interest in social enterprises that is emerging lately is conditioned by the recognition of their capacity to deal with economic and social problems that the public and business sectors are unable to solve. In Europe, there are currently over 40 different forms of association in the field of social economy, with innovative approaches to solving problems in the domain of social services, such as education, health, environmental protection, housing and fair market conditions.

It is estimated that the social entrepreneurship sector in the world it employs about 40 million people, with around 2 million business entities in the European Union, accounting for 10% of the total number. The most common forms in all countries are associations and cooperatives. The choice of the organizational form mostly depends on the legislation in the country, i.e. whether the law allows non-profit organizations to deal with market activities and to what extent

Although social entrepreneurship can occur in any area of activity for social purposes, it has been shown that it mainly occurs in Europe in two main types of activities: integration into the labor market and social welfare services in the community. (Velev, 2011)

Social enterprises focused on labor integration appear in almost all European countries, and mostly developed from former shelters for unemployed or protective workshops in which different production or service activities were organized. The model of social entrepreneurship in Bosnia and Herzegovina there is no specific area of activity, nor does it envisage special incentives and facilities. It refers to all forms of enterprises and organizations that are at least partly involved in social-entrepreneurial activities and are directed to the common good.

In Bosnia and Herzegovina, there is no platform for the development of social enterprises. This can be explained by the lack of information on European experiences, models and the Bosnian and Herzegovina opportunities and needs related to social entrepreneurship. In this context, it is possible to recommend the establishment of a platform for social entrepreneurship, as well as information and education, on social entrepreneurship. In this work, the creators of strategies and policies in Bosnia and Herzegovina at all levels, from local to state level, need to be adequately represented in the European concept of social entrepreneurship, as a potential solution to the problem of youth unemployment in rural and urban areas. It is important to point out that the

first study in the field of social services, entrepreneurship for persons with disabilities, with recommendations, done in Banja Luka in 2008. Initiative for the development of a strategy for the development of social or social entrepreneurship launched in Republic Srpska in 2009, and the Initiative for the formation of the Coalition for the Development of Social / Social Entrepreneurship „We Can Join More“ was launched. It is necessary to approach social entrepreneurship and make it visible through strategies and policies public sector through horizontals and verticals from local to entity level, inter alia through the development of the Media Strategy for the Promotion of Social Entrepreneurship. (Ninković-Papić, 2012)

Social enterprises can be classified and divided according to different criteria. One of the commonly used criteria is the level of integration of social programs and business activities of social enterprises. According to this criterion, social enterprises are classified as:

1. Internal social enterprises (Non-profit organizations establish this model of the company);
2. Integrated social enterprises (used as financing mechanisms)
3. External social enterprises (Non-profit organizations establish these companies to finance social services and business costs). (Kolin & Petrušić, 2008)

It is possible to identify several main legal models that appear in the legislation on social entrepreneurship in European countries: Co-operative model refers to co-operative societies. This form is present in Italy, France, Portugal and Poland. The company model is based on profit and limited distribution of profits. This model is typical of Belgium and Great Britain. The Open Model, for which the legal-organizational form is not important, has already been recognized and legally regulated social-entrepreneurial activity. The model appears in Finland and Italy.

Social entrepreneurs, society and communities have power to generate employment and social welfare. Social entrepreneur have power to do social work, improve quality of life, work life balance and sustainable social development with employment of power through Incorporating business models, strategy and empowerment. (Mehta, 2016)

Creating environments that foster ongoing social innovation is likely to be critical in this respect, and may be usefully informed by understandings gained in the business and science arenas. (Biggs , Westley , & Carpenter , 2010)

RESEARCH METHODOLOGY

With the conducted survey, we tried to determine how many people know the notion of entrepreneurship and social entrepreneurship and are they aware of the opportunities and benefits offered by social entrepreneurship in the territory of Republic of Srpska. Also, the results of the survey will show how many respondents are familiar with other concepts that are important for the development of social entrepreneurship. The aim of the research is to point out the importance of the development of social entrepreneurship and its advantages and opportunities offered by this type of business.

The conditions for participation in the research are those between 18 and 50 years of male and female sex, divided into three groups of 18-25, 26-35 and 36-50 years. The report is based on non-experimental research data collected from the target group of respondents, which indicates that these are quantitative research. The technique used in the research function is the method of an anonymous questionnaire filling and interview without requiring basic identification data, composed of 5 questions.

The research was carried out in the period from 09. 01. - 10. 01. 2017, the sample is considered to be one of the group of systemic samples, which included 63 respondents. After completing the survey was carried out editing of questionnaires and found that 12 of the questionnaire has not been filled with all the data, and on this occasion it rejected. The sample on which the survey was completed is 61 respondents.

The list of research questions used in the research, besides general questions, included a specific set of questions that concerned the information of respondents and their attitudes regarding their attitudes towards social entrepreneurship. In pursuing the set goal of the research, I started from the following research questions:

1. Do you know what is meant by the term entrepreneurship?
2. Do you know how to make a division of entrepreneurship, or to list the types of entrepreneurship?
3. Do you know how to explain the concept of social entrepreneurship?
4. Do you know how to list an example of a social enterprise from your immediate environment?
5. Do you consider that social (social) entrepreneurship can function successfully in the territory of our country?

RESULTS AND DISCUSSION

After the completed research, the analysis of empirical data was performed using Statplus 2009 and SPSS 22 statistical programs, with special emphasis on descriptive statistics, distribution testing, hi-square and ANOVA). The research was carried out on the territory of Republic Srpska, the research attempted to determine the attitudes of the respondents in the surveyed issues, on a random sample of 61 and respondent.

If we analyze the demographic structure of the respondents, it was found those 27 (44.262%) male respondents and 34 (55.738%) female respondents. According to the age group, the most experienced respondents were between 26-35 them 26 years old (42.623%), the second age group is younger respondents aged 18-25, with 29,508% of respondents, the third group consists of respondents between 36-50 years old 27.869%.

The following table gives an overview of descriptive analysis and analysis of the socioeconomic structure.

Table 1: Demographic variables

Demographic variables	Respondents	Percent	Mean	St.Error	St. Deviation	Variance
Gender			1,56	.064	.501	.251
Male	27	44.262				
Female	34	55.738				
Age			1,98	.098	.764	.583
18-25	18	29.508				
26-35	26	42.623				
36-55	17	27.869				
Education			1,70	.085	.667	.445
High school	25	40.984				
Faculty	29	47.541				
Master or PhD	7	11.475				

Source: author calculations

The results of the tests are shown in Tables and Graph.

Q1 - Analysis of the level of knowledge of the term entrepreneurship

Table 2: Knowledge of the Entrepreneurship Introduction.

	Frequency	Percent	Valid Percent	Cumulative Percent
<i>Yes</i>	47	77,00	77,00	77,00
<i>No</i>	14	23,00	23,00	100,00
<i>Total</i>	61	100,00	100,00	
<i>Levene test</i>	.926			
<i>Sig.</i>	.340			

Source: author calculations

The knowledge of the basic term of entrepreneurship - out of a total of 61 respondents, 77% of respondents answered with what the term refers to, while 23% of respondents answered with NO what constitutes their ignorance on this issue. According to the above, it can be concluded that most respondents know what is meant by the concept of entrepreneurship. The homogeneity test of the variance or Leven's test indicates if the probability of the test is greater than 0.05 in this case Sig. 0,340 we have no reason to doubt the assumption of homogeneity of the variance, that is, the variation of the dependent variable is equal in all groups, as shown in Table 2.

Q2- Do you know how to make a division of entrepreneurship, or to list the types of entrepreneurship? Possible responses were open type, which means that it was necessary to list what kind of types of activities it was necessary. 15 (24.59%) of respondents knew that they listed some types of entrepreneurship, while 46 (75.41%) of the respondents did not know how to list the types entrepreneurship. The Kruskal-Wallis Test did not reveal a statistically significant difference in the level of knowledge of three different age groups for a given issue. (Gp1, n = 18: 18-25; Gp2, n = 26: 26-35; Gp3, n = 17: 36-55), $c2(2, n = 61) = 0.476$. This result shows in Table 3.

Table 3. Overview of knowledge about types of entrepreneurship

Types of entrepreneurship	N	Mean Rank	
Age	18-25	18	31,72
	26-35	26	32,63
	36-55	17	27,74
	Total	61	
Kruskal-Wallis Test			
Chi-Square	1,483		
df	2		
Asymp. Sig.	,476		

Source: author calculations

Q3 - Do you know how to explain the notion of social entrepreneurship - out of the total number of people surveyed 36 people know how to explain the notion of social entrepreneurship, 19 people do not know how to explain the concept of social entrepreneurship while 6 people wrote it explain in his words the notion of social entrepreneurship. If we take into account the answers to the survey question 3. We see that 36 people know what is meant by the concept of social entrepreneurship. We can say that this represents a positive data and a shift in this issue in the observed territory.

The significance level of the Levene test (Sig.) is 0.916 or greater than 0.05 means that the assumption of equality of variance has not been impaired. Differences between groups can be seen in the Sig column. (2-tailed) and 0.724 given that this is higher than 0.05, it can be concluded that there is no statistically significant difference between the mean values.

The T-test of independent samples compared the results of testing the knowledge of terms for the first two observed groups of subjects between 18-25 and 26-35 years.

The significance level of the Levene test for the other two observed groups of subjects between 18-25 and 36-55 years, (Sig.) Is 0.453 which is greater than 0.05, which means that the assumption of equality of variance is not distorted. Differences between groups Sig. (2-tailed) and 0.698 is greater than 0.05, it is concluded that there is no statistically significant difference between the mean values of the observed values.

The significance of the Levene test for the last two observed groups of subjects between 26-35 and 36-55 years, (Sig.) is 0.344 greater than 0.05, so the assumption of equality of variance is not distorted. Differences between groups Sig. (2-tailed) is 0.425 greater than 0.05, so there is no statistically significant difference between the mean values of the observed sizes. Showing results in Table 4.

Table 4: Display Knowledge of the concept of social entrepreneurship of the observed groups

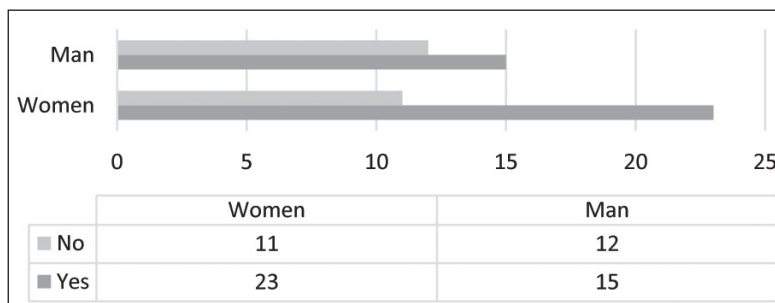
Age	Statistic		Statistic		Statistic			
18-25	N	18	18-25	N	18	26-35	N	26
	Mean	1,50		Mean	1,50		Mean	1,58
	Std. Deviation	,707		Std. Deviation	,707		Std. Deviation	,703
	Std. Error Mean	,167		Std. Error Mean	,167		Std. Error Mean	,138
26-35	N	26	36-55	N	17	36-55	N	17
	Mean	1,58		Mean	1,41		Mean	1,41
	Std. Deviation	,703		Std. Deviation	,618		Std. Deviation	,618
	Std. Error Mean	,138		Std. Error Mean	,150		Std. Error Mean	,150
Levene's Test for Equality of Variances								
F		,011			,576			,915
Sig.		,916			,453			,344
t-test for Equality of Means								
Sig. (2-tailed)		,724			,698			,425

Source: author calculations

Q4 - Do you know how to list an example of a social enterprise from your immediate environment - Possible answers were Yes and No.

The results of the research are as follows: Chi-square with Yates correction - Chi squared equals 0.493 with 1 degrees of freedom. The two-tailed P value equals 0.4827. The association between rows (groups) and columns (outcomes) is considered not statistically significant. Out of the total number of respondents, 61 respondents, 38 (62.29%) responded Yes, which means that they know how to

give examples from practice - a social enterprise, and 23 (37.70%) answered No that means they do not know. This result shows in Graph 1.



Graph 1. Presentation of knowledge about social enterprises from the environment

Source: author

Q5 - Do you think that social (social) entrepreneurship can function successfully in the territory of our country? Of the total number of respondents, 40 answered yes, which means that social entrepreneurship can to function successfully in the territory of our country. The data given in Table 5.

Table 5. Display of Descriptive Statistics and X²Test

Analysis of Variance (One-Way)					
Alpha value (for confidence interval)		0,05<5,99			
Groups	Sample size	Sum	Mean	Variance	
Variable #1	2	18,	9,	32,	
Variable #2	2	25,	12,5	4,5	
Variable #3	2	17,	8,5	24,5	
ANOVA					
Source of Variation	SS	df	MS	F	F crit
Between Groups	19,	2	9,5	0,4672	148,5
Within Groups	61,	3	20,3333		
Chi-test	0,2290			p-level	
Total	80,	5	0,6658		

Source: author calculations

In order to test the hypothesized hypothesis, a non-parametric χ^2 Test was used, and the test of the independence of the features according to the following formula $\chi_{02}^2 = \sum_{i=1}^m (f_i - f_i(t))^2 / f_i(t)$.

The following answers were obtained from the three groups of respondents by statistical analysis of the obtained data of the question posed. Based on the results of the study, it was found out that there was no statistically significant difference between the two groups of respondents in the positions where the Chi-Square equals 0,2290 with 2 degrees of freedom.

The two-sided p value is 0.6658. The relationship between rows (groups) and columns (outcomes) is considered to be of no statistically significant difference. As shown in Table 5. As the calculated value $\chi^2 = 0,2290 < 5,99$, since the calculated value χ^2 is less than the table critical value, means that the set zero hypothesis is accepted, it can be concluded that the views of the respondent are found in a tight connection, but there is no statistically significant difference, that the development of social entrepreneurship can function successfully in the territory of the Republic of Srpska / B&H.

CONCLUSION

It is concluded that it is imperative to present a social entrepreneurship program as a program for the social inclusion of hard-to-employ categories (vulnerable groups such as: war and non-disabled persons, ex-addicts of narcotics, alcohol, convicts, in the family, long-term unemployed), as well as to present the possibility of obtaining technical and financial support from European institutions and organizations for social entrepreneurship, and that the population is educated on this issue, since social entrepreneurship in Bosnia and Herzegovina has not been sufficiently explored.

Based on hypothesized H_0 - Development of social entrepreneurship can function successfully in the territory of the Republic of Srpska / BiH - which means that social entrepreneurship can be the backbone of the development of our society, based on the given research, it came to the conclusion that the accepted hypothesis is accepted.

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UPRAVLJANJE RAZVOJEM SOCIJALNOG PREDUZETNIŠTVA

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Apstrakt: Nagli rast socijalnog preduzetništva karakteriše porast socijalnih nejednakosti i siromaštva u svijetu, što predstavlja posljedicu razvoja globalizacije. O socijalnom preduzetništvu i njegovim dometima u Bosni i Hercegovini generalno jako malo se zna i radi, zbog čega ono predstavlja prostor i izazov za dalje i sistematičnije istraživanje. Predmet istraživanja odnosi se na razvoj socijalnog preduzetništva i na ukazivanje značaja primjene i usvajanja ovog oblika poslovanja u narednom periodu na našim prostorima. Istraživanje je urađeno sa ciljem da se ukaže na značaj razvoja socijalnog preduzetništva koje pruža ovaj vid poslovanja, kao i da se utvrdi nivo znanja ispitanika o ovakvoj vrsti poslovanja. Za ovu vrstu istraživanja korištena su kvalitativna istraživanja i formiran je upitnik. Upitnik je sastavljen od pet pitanja, nakon završenog istraživanja na reprezentativnom uzorku, empirijski podaci su obrađeni i statističkim programom SPSS 2 i StatPlus 2009. U radu je postavljena i testirana sljedeća nulta hipoteza H_0 -Razvoj socijalnog preduzetništva može uspješno da funkcioniše na teritoriji Republike Srpske/BiH.

Ključne riječi: upravljanje, preduzetništvo, razvoj, analiza.

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