

# Lean-effectual entrepreneurship, gender and social value creation: An investigation of women's social entrepreneurship in India

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## **Abstract**

This interdisciplinary research fuses the lean start-up practice with effectuation theory. The former is rooted in the concept of lean in operations management and the latter emerges from the March-Wick-Mintzberg thought processes in organisational learning. This research combines the two to create a lean-effectual framework and deploys it to understand women's social entrepreneurial performance in India.

This work addresses an important gap in research on women's entrepreneurship. Though women emphasise social value over economic value and take to social entrepreneurship more than business entrepreneurship, the current scholarly discourse does not adequately explore women's pursuit of social entrepreneurship. This study investigates it using a lean-effectual lens and generates insights that have value for the wider society beyond the enterprises that it investigates. In the process, it debunks the myth of women's entrepreneurship underperformance and spotlights their distinct approach in resolving complex social problems through a deep grasp of underlying issues and in constructing effective, enduring and innovative solution mechanisms.

Employing a qualitative-exploratory-interpretive approach and through semi-structured in-depth interviews of twenty-three women social entrepreneurs in India, it deciphers their motives, actions, achievements and impact. Through a thematic analysis of their narratives, the behaviours and actions consistent with effectual and lean principles are crystallised to derive the findings of this research.

The research discovers strong evidence of the role of lean effectual conducts in forging women's social entrepreneurial success. It finds the presence of minimum viable products at onset, further development through customer feedback, prudent use of money, forging and sustaining productive partnerships, flexibility and effective management of uncertainty. A strong passion for the cause, support from the family, a dedicated team and diverse funding sources are amongst the non-lean-effectual antecedents.

The conceptual contribution of this research is the creation of a lean-effectual framework that combines two artefacts of significant value for the practice of entrepreneurship namely effectuation and lean start-up. Empirically, it shows that the women entrepreneurs whose behaviours reflect a fusion of these two ideas are indeed successfully active in the social

entrepreneurial space. By showcasing the richer aspects of women's entrepreneurship it debunks the women's entrepreneurial underperformance myth and by providing a detailed treatise of social entrepreneurship in India it addresses the paucity of scholarly research in developing countries.

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## List of Abbreviations

ABS	Association of Business schools
CSR	Corporate Social Responsibility
GEM	Global Entrepreneurship Monitor
MVP	Minimum Viable Product,
N	Number of research participants
NGOs	Non-government-organisations
OECD	Organisation for Economic Cooperation and Development
SE	Social Enterprise
WSE	Woman social entrepreneur

## 1. Introduction

This inter-disciplinary research connects the academic fields of entrepreneurship and operations management which sit within the broad domain of business and management. Within entrepreneurship, it draws from the theory of effectuation whereas lean start-up, the other concept that it deploys, has its origins in operations management. With these two lenses, it investigates women's social entrepreneurship in India. This chapter introduces the background, motives, conceptual roots, and methods of this investigation.

### 1.1. Entrepreneurship and its evolution

Entrepreneurship, the first academic field that this research contributes to, is primarily the study of the business start-up process, which is widely acknowledged as a key influence in job creation, economic regeneration and economic growth (Acs & Armington, 2006; Acs & Szerb, 2007; Birch, 1987; Kilby, 1971; Wennekers & Thurik, 1999). However, the process of evolution of an acceptable definition of entrepreneurship<sup>1</sup> has been contentious and its true meaning is still debated<sup>2</sup> (Egan-Wyer, Muhr, Rehn, 2018). This chapter briefly discusses a key contribution to the understanding of entrepreneurship, as a field of human knowledge, from the perspective of Shane and Venkataraman's (2000) seminal work.

Shane and Venkataraman (2000) in a way, usher entrepreneurship in the 21<sup>st</sup> Century. Though their conceptualisation of entrepreneurship is not without flaws<sup>3</sup>, it certainly is a good starting point for the discourse that underpins this thesis. It visualises entrepreneurship as a field that seeks the answers to three sets of issues. *"...why, when, and how opportunities for the creation of goods and services come into existence...some people - and not others - discover and exploit (them) and ...different modes of action are used to exploit (them)..."* (Shane & Venkataraman, 2000: 218).

Prior to the emergence of entrepreneurship, economics used to be the field that dealt most closely with concerns that entrepreneurship now explores. Analysis of business was an

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<sup>1</sup> This thesis, at this stage, perceives entrepreneurship as a field of knowledge rather than the business start-up process.

<sup>2</sup> *"Perhaps the largest obstacle in creating a conceptual framework for the entrepreneurship field has been its definition"* Shane & Venkataraman (2000:218)

<sup>3</sup> A systematic evaluation of Shane & Venkataraman (2000) appeared in the form of a 'Dialogue' in The Academy of Management Review (2001)

important part of microeconomics with its attention focused on profit and output. However, it was bereft of any discussion on how the existing businesses came about in the first place. Entrepreneurship, as a new social science discipline in the applied field of business, started this discourse. Shane & Venkataraman (2000) propose a framework of analysis for this nascent science. They visualise entrepreneurship as the creation of new organisations as well as new business initiatives within existing organisations (Amit, Glosten, and Mueller, 1993; Casson, 1982). Their key contribution is in setting the context and confining the discourse to the conditions under which entrepreneurial opportunities are discovered and are exploited through firms and markets.

They explain three reasons to study entrepreneurship. First, entrepreneurship is the mechanism through which existing technical information is transformed into products and services (Arrow, 1962). Second, entrepreneurship discovers and addresses spatial and temporal economic inefficiencies (Kirzner, 1997) and third, innovation-led entrepreneurship is the most vital vehicle of growth in modern societies (Schumpeter 1934). Their opportunity-centric discourse deals with *“situations in which new goods, services, raw materials, markets and organizing methods can be introduced through the formation of new means, ends, or means-ends relationships”* (Eckhardt and Shane, 2003: 336).

Amongst the many critiques of Shane & Venkataraman’s (2000) analysis is their focus on the *discovery* of opportunity, in continuation of the idea of entrepreneurship as *“a process by which individuals – either on their own or inside organizations – pursue opportunities without regard to the resources they currently control”* (Stevenson & Jarillo 1990: 23). An alternative view of opportunity *creation* (Alvarez and Barney, 2007) challenges as well as complements this perspective. Dimov (2007:717) argues that the principal flaw of the discovery thesis *“... is the conceptual collapse of the time between a first insight and the idea that ends up being implemented...”*. This is the time when a vital creative process is underway which is not sufficiently explained by the discovery theory, ignoring both the social as well as the relational dynamics (Fletcher, 2006; Garud and Karnøe, 2003; Sarasvathy, 2001a). Given these constraints imposed by a pure discovery view in analysing the totality of entrepreneurial experience, this doctoral research attempts to investigate the social entrepreneurship phenomenon from a discovery-cum-creation perspective.

## 1.2. The phenomenon

When this study commenced, social entrepreneurship was a new but rapidly developing field of research. This continues to be the case. The literature on women's entrepreneurship, in contrast, had matured and became exciting with feminist scholars debunking and demolishing the long-standing women's entrepreneurial underperformance myth (for instance, Ahl, 2006). However, there was little research specific to women's social entrepreneurship. There was, therefore, an obvious research gap and an opportunity to contribute. By a deliberate positioning, this research, as an exploration of successful and high performing women social entrepreneurs, in a way, starts at the point of the demise of women's entrepreneurial underperformance pseudo-thesis.

Social entrepreneurship is not an easy or obvious career choice for anybody. When it comes to making this choice, there are many options, two most obvious being working for others or working for oneself, that is, 'to be or not to be' an entrepreneur. Both involve contributing to the delivery of a product or service to the paying customers. Private sector employees, earn a livelihood and enrich someone else. Business entrepreneurs earn a living and enrich themselves. However, social entrepreneurs enrich others' lives, though they may or may not earn a living through it. One could enrich others' lives as a social worker as well. However, then you will certainly need some other means to support your livelihood. Social workers, therefore, invariably are the fringe players, leading lives of philanthropic dependency and making an impact limited to the aid that they receive (Germak & Singh, 2009). Social entrepreneurs, in contrast, are philanthropically largely independent and make a much larger impact. Social entrepreneurship is also scalable whereas social work is not (Bornstein, 2007).

Social entrepreneurship is a recent phenomenon (Rey-Martí, Ribeiro-Soriano & Palacios-Marqués, 2016). The principal responsibility of addressing social issues and taking care of the disadvantaged has historically been of the state. However, until after the start of the process of enduring and widespread economic development in Western Europe, in most parts of the world, the states generally had little aspirations in this regard and devoted little resources to the social cause (Jung & Harrow, 2016). At the same time, barring some scattered and intermittent semi-social-entrepreneurial conduct, the phenomenon of social entrepreneurship was non-existent. There was, thus, very little social help available, beyond the family, if one had a deep disadvantage, whether in-born and/or socially constructed or



caused accidentally (Brillhart, 1988). People dealt with these on their own or with the help of their families or by an occasional philanthropic intervention. Widespread and systematic effort to solve social issues independent of the state and to do it effectively and efficiently through entrepreneurship is a recent phenomenon (Dees, 2007). This has come to be called social entrepreneurship and is the focus of this research.

From the mid-twentieth century, the expanding populations and spreading growth contagion to more countries made life more complex and new social issues - such as narcotics - emerged worldwide. At the same time, the magnitude of existing social needs like poverty, education and public health amplified. To address these, the state-sponsored systems and processes emerged, proliferated and expanded, fuelled by the democratisation of the nation-states (Ohmae, 1995). However, this phase was short-lived and after about half a century of expansion of the welfare state, the willingness of the state to cater to the exponentially growing social needs began to fade (Freeman, Topel & Swedenborg, 2008). This happened due to the growing realisation of limits to a tax and/or public debt-driven welfarist expansion of the state (Eggers & Macmillan, 2013). This created a vacuum in the social needs space where increasingly much more was needed to be done and very little was happening. It was at this point that, social enterprises begin to appear in this space (Borzaga & Santuari, 2003). Concurrently, charities, realising the promise of entrepreneurship, began to reinvent themselves as social enterprises (Rhoden, 2014). These two processes proliferated and intensified everywhere, although with marked variability in magnitude and intensity in different parts of the world (Haski-Leventhal & Mehra, 2016). Today, the social enterprise initiatives are more pronounced where the mismatch between the needs for social service and the state's inability or unwillingness to serve the social causes is the most glaring and where the individuals with a desire, passion and ability to do the needful for those who cannot do it for themselves are abundant and willing (Wilson & Post, 2013). One such place is today's India.

### **1.3. The motives**

One key slant of this research is that it attempts to understand the behaviours of successful women social entrepreneurs. One reason for adopting such a stance is to deliberately position it in the post-women's-entrepreneurial-underperformance-pseudo-thesis space. It, thus,

responds to Helen Ahl's (2006:595) call to "... not reproduce women's subordination but capture more and richer aspects of women's entrepreneurship..." The other reason for studying successful social entrepreneurs is that they play a role in effectively addressing social, environmental and cultural issues like pollution, poverty and discrimination (Wry & York, 2017). An analysis of behaviours that allow them to do so successfully, therefore, has undeniable practical value for society. This strengthens the catalytic validity (Rose & Johnson, 2020) of this research (details on page 91). Further, though the general management frameworks abound in it, the extant business literature lacks appropriate specific frameworks that inform entrepreneurs on how to improve the start-up performance (Chatterji, Delecourt, Hasan & Koning, 2019). In this research two recently postulated theses, namely effectuation and lean start-up are combined to create such a framework. Finally, though within the literature, the value of the study of entrepreneurial success is being increasingly recognised, there continues to be a paucity of such work (Staniewski & Awruk, 2019). This analysis of social entrepreneurial success, therefore, also addresses this important research gap.

#### **1.4. The complementarity between effectuation and lean startup**

As stated above, this research is grounded in two recently proposed theses that aim to improve the outcomes of the business start-up process. One is rooted in entrepreneurship and the other is linked with the idea of lean manufacturing in operations management.

The first of these, Saras Sarasvathy's *effectuation* doctrine, is articulated in her *Academy of Management Review* article (Sarasvathy, 2001a). It springs from her doctoral studies under the tutelage of the Nobel Laureate Herbert Simon. Very rarely does the first post-thesis work published by a PhD student lay the foundation of an epoch-making new doctrine. However, effectuation does so and provides a fresh perspective to the start-up process in contrast to the conventional causation approach that dominated the discourse earlier. Presented as a package of five interwoven principles - with intriguing sub-titles - effectuation explains, counter-intuitively and in a way, completely different from its extant scholarly perception, how the entrepreneurs who achieve significant success, ply their craft. It also alludes to how these principles could be used to achieve similar success by other nascent entrepreneurs. After unveiling her thesis in 2001, Sarasvathy alone (2003, 2009) as well as with a close-knit team of scholars (Sarasvathy & Dew 2005; Dew, Read, Sarasvathy & Wiltbank, 2008; Read,

Dew Sarasvathy, Song & Wiltbank, 2009) painstakingly refined, validated and disseminated effectuation. Given its academic pedigree, scholarly influence and immense practical promise, effectuation was a natural choice as a conceptual tool to investigate the social entrepreneurial process which is elaborated later in this chapter.

The second but more tangible idea utilised in this research is *lean start-up*. It entails the application of 'lean' (from lean manufacturing) in operations management to the business start-up process. Presented a decade later by Eric Ries, unlike effectuation, it does not arise from a traditional scholarly research process. The idea, unveiled in a business book *The lean startup* (Ries, 2011), which soon became an international bestseller, is meant for the consumption of practising entrepreneurs and provides the crux of learnings from the hands-on experience of Ries as an entrepreneur who failed often and learnt from his failure every time, in the process completing the jig-saw puzzle of wherewithal to quick start-up success with the minimal effort. Unlike effectuation, the scholarly acceptance of lean start-up was slow and limited. The early works on it were published largely in journals with low rankings. Literature on lean start-up, however, consistently confirms it empirically. It has also started appearing in highly regarded journals (Yang, Sun & Zhao, 2019; De Cock, Bruneel & Bobelyn, 2020; Harms & Schwery, 2020; Leatherbee & Katila, 2020; Shepherd & Gruber, 2021)

Sarasvathy was born, raised and had her pre-doctoral education in India before she came to the USA. She built her knowledge of entrepreneurship through a purely scholarly process and formal education. Her mastery of her realm comes from an entirely academic and intellectual learning process. She knows what she knows because of her education and from her thorough and painstaking research of serial expert entrepreneurs (Nielsen & Lassen, 2012).

Ries was born and studied computer science at Yale University in the USA and took to entrepreneurship right after he finished his education. He built his knowledge of entrepreneurship through the process of learning from failure. He has no formal education in entrepreneurship. His mastery of the field comes from his ceaseless critical evaluation of the constituent parts as well as the whole of the start-up process to understand what works and what does not work and what can be done to change and improve it and how.

Sarasvathy understood entrepreneurship by her academic analysis of the thought processes of some of the most successful entrepreneurs. Ries knows this by his observation and

understanding of his own and other similar struggling rookie entrepreneurs' unsuccessful endeavours and his keen grasp of the lean manufacturing process. Both bring fresh thinking and a novel approach to the table and ooze the same conviction. They both are convinced that the start-up process can be made a lot better and they know what needs to be done for this.

While considering a potential conceptual space to position this research the incredible extent of the complementarity in the solutions that Sarasvathy and Ries offer for improving the start-up process becomes apparent. Remarkably, combining them has not been attempted before.

### **1.5. The context**

When this research was started, the project was more ambitious than realistic as the aim was to investigate the phenomenon in three countries with differential levels of development, namely the UK, India and Ghana. During a supervisory meeting, it was made obvious by the experienced supervisors that within the timeframe of a PhD study, such a project could not be completed. It was, therefore, agreed to base this research on only one country. For this India, which is considered one of the most appropriate settings to study social entrepreneurship, was chosen.

Given the scale of deprivation in the country, both in absolute as well as in per-capita terms and its complicated socio-economic structure, the social issues that need to be addressed here are too many, too large and therefore, too convoluted. Juxtaposition this with the relatively meagre resources of the Indian government due to the low taxability of the population and India emerges as the classic case of the society that badly needs social entrepreneurs to have a semblance of civilised existence for its disadvantaged.

Only one per cent of Indians pay the income tax (Seth, 2020) and the tax to GDP ratio in India is less than 10% (Financial Express, 2020). In comparison, this ratio is 34% in OECD countries (OECD 2020). As a significant part of the Government of India's expenditure - over 33% - is used up just in interest payments and defence (Times of India, 2021), its ability to pay attention to larger and more pressing social issues remains limited and it spends less than 3% of its resources on health and education. Recently it informed the Supreme Court of India that it could not pay compensation to the families of the poor who had died of coronavirus as it

*“...would exhaust its disaster (relief) funds...(and, therefore)... is beyond the fiscal affordability of the State...,”* (Mathur, 2021).

Apart from its lack of fiscal affordability to do much for its poor, another issue is the inability of the government to fully grasp the complexities of people’s problems from a grass-roots perspective and provide effective and appropriate relief. This is the case in practically every country (Darbas, 2003). However, it is more so in India due to its large population size, much of which is extremely poor and live in still hard-to-reach places. Due to a deep-rooted and abiding nexus among the locally entrenched vested interests, the voice of the common person does not resonate loud enough in the corridors of power in the national and state capitals in India (Baru, 2012). The chasm between the ground realities of the Indian poor and the decision-makers in India was exposed worldwide recently when millions of migrant families in the country had to walk hundreds of miles with young children in the scorching heat of Indian summer when a lockdown, along with a complete closure of transport, was imposed without warning or planning (Lancet, 2020).

In situations like this and in other difficulties that the poor in India face daily, the only possible source of a modicum of solace is a plethora of social workers, NGOs (Non-government-organisations) and now emerging social enterprises. The Central Statistical Institute of India estimated 3.3 million NGOs in India in 2009 (Bhagwati, 2019). That this was several times the number of schools and hospitals in India at that time, shows how the state’s inability to meet its social obligations are attempted to be addressed by the concerned citizens in India. However, that this effort is widespread does not mean that it is adequate (Goyal, Sergi & Jaiswal, 2016).

A good sign and a ray of hope are that with time with a growing realisation of the need to be more effective and efficient, more and more of these NGOs are reinventing themselves as social enterprises (Rhoden, 2014). This, along with a profusion of born social organisations, India is currently an exciting crucible of innovation and experimentation in the social humanitarian space (Hindustan Times, 2006) and provides a learning opportunity of immense value in social entrepreneurship.

### 1.6. The protagonists

Beyond the renunciation of the women's entrepreneurial underperformance myth, there were other reasons to investigate the social entrepreneurship phenomenon in India with women as the protagonist. More women, proportionately, take to social entrepreneurship than business entrepreneurship (Hechavarría *et al.*, 2017) therefore, a women-centric study of social entrepreneurship is more interesting than a gender-neutral study. Further, hardly any scholarly research on women's social entrepreneurship has been undertaken anywhere. The need for such research, thus, becomes even more interesting, urgent and overdue. Undertaking it in India makes it even more attractive due to the difficulties that women face in India in practically every profession. Emancipation through social entrepreneurship (Chandra, 2017) is, thus, a two-stage process for women in India. First, they have to neutralise their own social disadvantage as women in India and then support other disadvantaged in the country.

### 1.7. The research gaps, aims, objectives and research questions

As indicated above and explained in significant detail in relevant literature review sections as well as subsequently in the methodology chapter, there are two key research gaps that this research aims to address. One of these emanates from the fact that despite a significant complementarity between the two, no attempt has been made so far to combine effectuation and lean start-up. Even the recent studies of social entrepreneurship evolving effectuation (Servantie & Rispal, 2017; Rosca, Agarwal & Brem, 2020) do not include analysis of lean start-up behaviours. At the same time, recent conceptual analysis of lean start-up (Shepherd & Gruber, 2021) does not include effectuation. The only study that positions the two ideas (Yang, *et al.*, 2019) together does not combine them. It investigates the search and execution behaviours of entrepreneurs as proxies for effectuation and causation in a business entrepreneurship context. The second research gap is that the efficacy of these ideas - as independent constructs or jointly - have not been investigated in a gender-neutral or gender-specific social entrepreneurship context. This research set out to address these gaps within women's social entrepreneurship research. To address the above gaps in the literature, *this research aims to understand the behaviours of successful women social entrepreneurs, particularly if these behaviours reflect the use of lean-effectual conduct.* To achieve this aim, the following objectives were set.

1. To analyse behaviours of successful women social entrepreneurs in India from the pre-start-up phase of their social enterprises to their present activities vis-à-vis various principles of effectuation and lean start-up.
2. Categorise the behaviours consistent with an effectuation principle or a lean start-up principle as lean-effectual behaviours.
3. Identify and categorise the remaining major behaviours as non-lean effectual antecedents to women's social entrepreneurship.

To meet the above objectives two research questions were framed.

1. What Lean-effectual behaviours are exhibited by successful women social entrepreneurs?
2. What behaviours that are neither lean nor effectual play a role in the success of women social entrepreneurs?

The first question seeks to know if the behaviours of successful women social entrepreneurs are consistent with effectuation principles of starting within means, setting an affordable loss, building partnerships, converting unexpected events into opportunities and the use of non-predictive control. It also investigates if they are consistent with lean start-up principles of effective management of uncertainty, building a minimum viable product (MVP), validated learning and innovation accounting. The second question attempts to understand the behaviours, attributes and support mechanisms outside the gamut of lean-effectual principles that may have contributed to the success of these entrepreneurs.

### **1.8. Methods**

Given that no previous study exists that examined if successful women social entrepreneurs use a lean-effectual approach, an exploratory-explanatory interpretive approach has been used in this research. This follows Bygrave's (1998) well-regarded advice on the use of qualitative approaches in the 'beginning of paradigm research' in entrepreneurship. For this, forty-three potential candidates were first identified by the social recognition of their work gleaned from media reports along with the recommendations of key individuals in premier business and entrepreneurship schools in India. Of these, twenty-three individuals eventually participated in this research. The data was collected through semi-structured interviews. The interview process for this research was a good distance away from an unstructured interview

and leaned towards the more structured one. This was so because both Sarasvathy and Ries provide a number of well-defined markers of expected behaviours in their respective doctrines. To identify these, an equal number of specific questions were needed.

Before the data collection commenced, a lean-effectual framework was created to guide the process. For this, behaviours associated with the effectuation and lean start-up principles were identified and articulated. To depict the framework, these principles were positioned in a chronological space based on at what stage of enterprise formation and development their use was envisaged by Sarasvathy and Ries (Figure 2.7). The ethical review of this research was initiated and completed as per Cardiff University's procedures and approval was received before any data was collected.

### **1.9. The organisation of the thesis**

Figure 1.1 shows the structure of this thesis. The next chapter (2) has seven sections, 2.1 to 2.7. Each of these presents a review of the literature on a specific facet of this research. These are effectuation (2.1), lean start-up (2.2), women's entrepreneurship (2.3), social entrepreneurship (2.4), women's social entrepreneurship (2.5), social entrepreneurship in India (2.6) and value creation (2.7).

Section 2.10 explicates the geographical and phenomenal contexts of this research, namely, India and women's social entrepreneurship, respectively. It charts the current socio-economic landscape of India for the readers to comprehend the circumstances in which the participants in this research ply their craft. It then provides information on the phenomenon of social entrepreneurship in India.

Chapter three deals with methodology. It describes the design that this research employed and expounds the overarching philosophy including the epistemology and ontology that informed it. It discusses the crucial issue of rigour in research including its reliability and validity. It also explains why the research presented in this thesis should be considered reliable and valid. Finally, the ethical considerations of research are highlighted.

Chapter four of this thesis presents the analysis of collected data and findings of this research. It provides evidence of behaviours consistent with various aspects of effectual or lean conduct exhibited by the participants as well as the behaviours, attributes and support systems

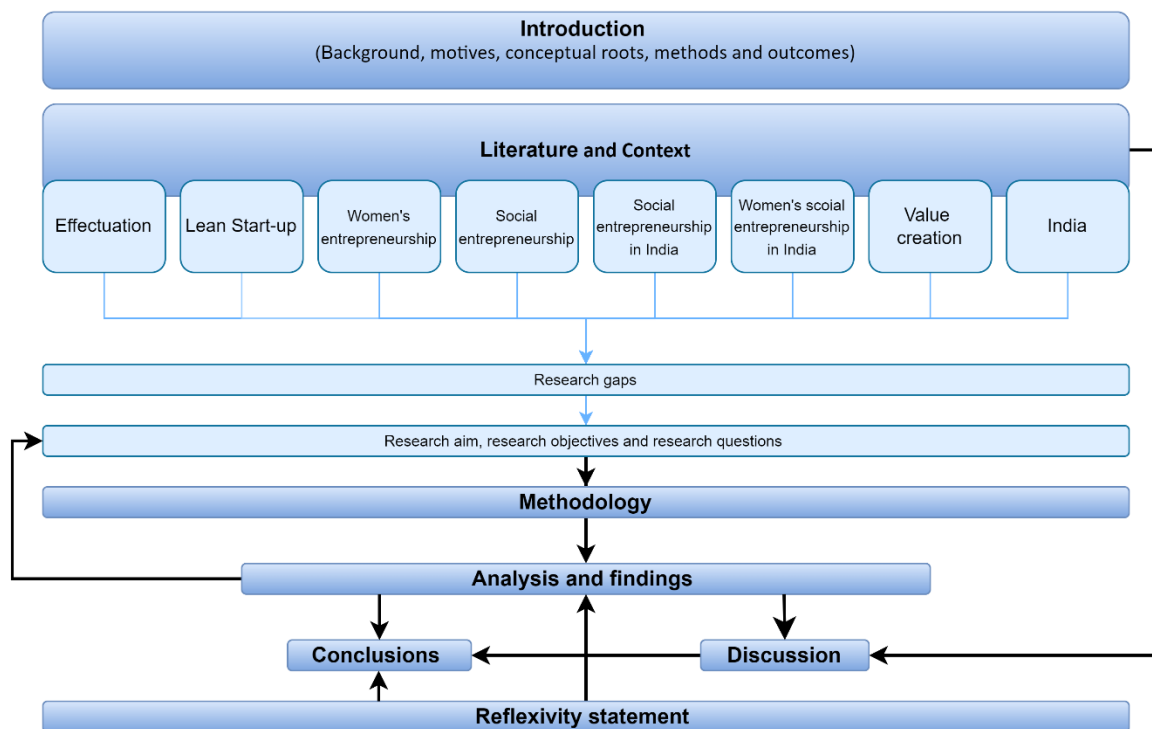


outside the lean-effectual premise that may have contributed to their success. The penultimate chapter of this thesis is titled discussion. It explicates the answers that this research has found to its questions and maps its findings with the extant literature to show the congruence and conflict between the two.

The final chapter concludes this research. It contemplates its applied value and provides a set of recommendations for budding as well as seasoned social entrepreneurs particularly women, as well as governments in developing and developed countries. It also lists the limitations of this research as well as future research directions that this research opens up including the plans for dissemination of this work to the larger community.

A reflexivity statement is provided in the end as a part of the process to establish the credibility of this qualitative research.

Figure 1.1: The thesis structure



#### 1.10. Chapter 1 summary

This chapter introduces the key facets of this thesis including the background, motives, conceptual roots, methods and outcomes of the research that it presents. As this research is principally concerned with entrepreneurship, first the scope and evolution of the academic

field of entrepreneurship are discussed. This discussion is framed by the discourse initiated by Shane and Venkataraman's (2000) seminal work. The rationale for the focus of this work on successful women social entrepreneurs is then explained. The subsequent discussion on the overlap and complementarity between the theory of effectuation and lean startup practice is followed by the expositions of the phenomenon of social entrepreneurship, the geographical context of this research and the rationale for its choice. The research gaps that it addresses, the aims that it wishes to achieve and the questions that it attempts to answer are then presented. While discussing the methodology of this research, the research design, the epistemology and ontology that informed it, the data collection and data analysis methods and processes are described. Finally, the organisation of this thesis is summarised.

## 2. Literature review and research context

This chapter first presents the reviews of the literature on effectuation, lean start-up, women’s entrepreneurship, social entrepreneurship, social entrepreneurship in India, women’s social entrepreneurship and value creation. Each part starts with the literature scoping section that explains how the reviewed literature was collated. At the end of each part, the key insights from the extant literature of each theme are summarised. It then charts the geographic and phenomenal context of this research leading to the explication of the aims and objectives, the research gaps and the research questions. In the end, the chapter is summarised.

The general scoping process for all strands of literature in this thesis is depicted in table 2.1. specific literature scoping details related to each strand are explained before the review of literature on each strand.

*Table 2.1: The general literature scoping process*

Search engine	Cardiff University Library				
Principle Databases	Scopus, Business Source Complete, Ingenta Connect, ABI/Inform, Science Direct, Web of Science				
Themes	Search Item(s)	Inclusion Criteria	Exclusion criteria	Numbers	Recent finds
Effectuation	‘effectuation’	ABS3+*	Non-relevance	42/308	12
Lean start-up	‘lean start-up’	None	Non-relevance	22/25	3
Women’s entrepreneurship	‘female entrepreneurship’ OR ‘women owned business’	ABS3+	Non-relevance	39/1976	4
Social entrepreneurship	‘social entrepreneurship’	ABS3+	Non-relevance	14/1738	4
Women’s social entrepreneurship	‘female social entrepreneurship’ OR ‘women’s social entrepreneurship’	None	Non-relevance	10/29	1
Social entrepreneurship	‘social entrepreneurship’ AND ‘India’	ABS3+	Non-relevance	7/203	1
Value creation	‘value’ OR ‘value creation’ AND ‘social entrepreneurship’	ABS3+	Non-relevance	38/72	1

### 2.1. Effectuation

#### 2.1.1. Literature scoping process<sup>4</sup>

The literature for this part was collated through the online search engine of Cardiff University library. Searching with ‘effectuation’ as the *subject* item, 308 peer-reviewed journal articles were found. As the effectuation thesis was first postulated only in 2001, no time restriction was applied to consider all relevant works published since it was unveiled. From these, those

<sup>4</sup> At the time of writing of the final draft of the thesis, a further search of literature on each reviewed theme was undertaken and many subsequently published works were included. These are listed as ‘recent finds’ in Table 2.1

published in Journals ranked 3 or above in the Association of Business school's Academic Journal Guide 2015 (hereafter ABS3+) were chosen to keep the focus on the works of the highest quality. Two ABS2 articles were also included, where Sarasvathy herself is the author. One more that researched effectuation, unusually, in a less developed country is included because this research too is in such a country. This led to a review of 42 high-quality relevant journal articles.

### 2.1.2. The emergence of effectuation

Effectuation is a powerful and influential idea that visualises entrepreneurship from a discovery-cum-creation lens (Sarasvathy, 2001a, 2003, 2009)<sup>5</sup>. It is deemed to be a major intellectual shift in our understanding of the entrepreneurial pursuit of opportunity. Through effectuation, Sarasvathy unveils a new theory<sup>6</sup> and explains how it is different from the traditional concept of starting a business, which she refers to as causation. She visualises the causal process as the one that starts with a definite goal and ends when this goal is attained, She proposes effectuation, as an alternative in which the process starts with possible means and the goal is shaped and reshaped as the entrepreneur gets, absorbs and responds to the feedback from their entrepreneurial pursuits.

Sarasvathy argues that the scholarly inquiry in economics or psychology does not explain the creation of artefacts such as firms, markets, and economies, which her theory, positioned within entrepreneurship, does effectively. As stated above, at the core of the effectuation thesis is the difference between the contrasting processes of causation and effectuation. She posits that *"Causation processes take a particular effect as given and focus on selecting between means to create that effect. Effectuation processes take a set of means as given and focus on selecting between possible effects that can be created with that set of means"* (Sarasvathy, 2001a :245). She uses hypothetical (curry in hurry) and historical (U-Haul) examples to illustrate that the difference between the two is 'in the set of choices' between

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<sup>5</sup> Though most of discourse on effectuation remains focussed on her ideas in her 2001 work, *Causation and effectuation: Toward a theoretical shift from economic inevitability to entrepreneurial contingency*, to understand effectuation better the second part of her less discussed 2003 work *Entrepreneurship as a science of the artificial* is more helpful.

<sup>6</sup> Can effectuation be called a theory and if yes, what kind of theory it is and how good it is as a theory, was the theme of an intellectually stimulating debate amongst some of highly regarded entrepreneurship scholars in 2016. It was published in the *Academy of Management Review (AMR)* as 'the dialogue' and is discussed in significant detail later in this section.

means not in the end goal. The end goal in effectuation is a generalised goal (start any business) while in causation it is a specific or definite goal (start business of a particular type). She clarifies that the effectuation process is not “better” or “more efficient” and concedes that ‘future empirical studies’ (Sarasvathy, 2001a :249) are needed to find out the advantages and disadvantages of both types of processes.

### 2.1.3. Foundations of effectuation

Sarasvathy builds her theory of effectuation on “*March's ideas on exploration and the challenge to pre-existent goals, Mintzberg's gathering of evidence against planning and prediction, and Weick's emphasis on enactment and living forward*” (Sarasvathy, 2001a: 256).

March (1982:74) in his conceptualisation of ambidexterity, visualises two paths to human action. One, exploitation of pre-existing goals under certainty and two, exploration of possible outcomes under uncertainty. He postulates a number of propositions related to this idea and provides empirical evidence on human behaviour based on the exploration of possible outcomes under uncertainty. He argues that “...if a consistent set of preferences... as well as the constraints operating over them (are known) then we can suggest how to make decisions. However, if neither the preferences nor the constraints are known, a decision cannot be suggested...” He claims that balancing between ‘exploration and exploitation in organisation’ is important for organisational survival and both can be used by the firm in a complimentary way. Based on this, Sarasvathy proposes that new businesses should start with available means and not with pre-existing goals.

Mintzberg (1991, 1994) uses Honda’s success story in the USA to highlight that often pursuing “nonstarter” projects lead to significant success. Sarasvathy (2001a: 255) notes that the “...success stories of probable nonstarters abound in the history of economics, management, and human affairs in general...”. She uses the word “nonstarters” to signify products that have no rational chance of success in the marketplace. She believes that collectively these stories present a vindication of her theory of effectuation. In the sense that when a seemingly ‘nonstarter’ business is started with only what the entrepreneur has, it is still has a chance of success.

Weick’s (1995) notion of enactment, an element of his theory of sensemaking, explains that people do not act according to pre-determined goals. In their routines, if they think that a

specific action will have a desirable outcome, they work accordingly. They then make a “*retrospective sense*” of their actions and in future, they behave based on it. Decision making is thus not planned and is a non-linear process. It is always modified and improved by our experiences.

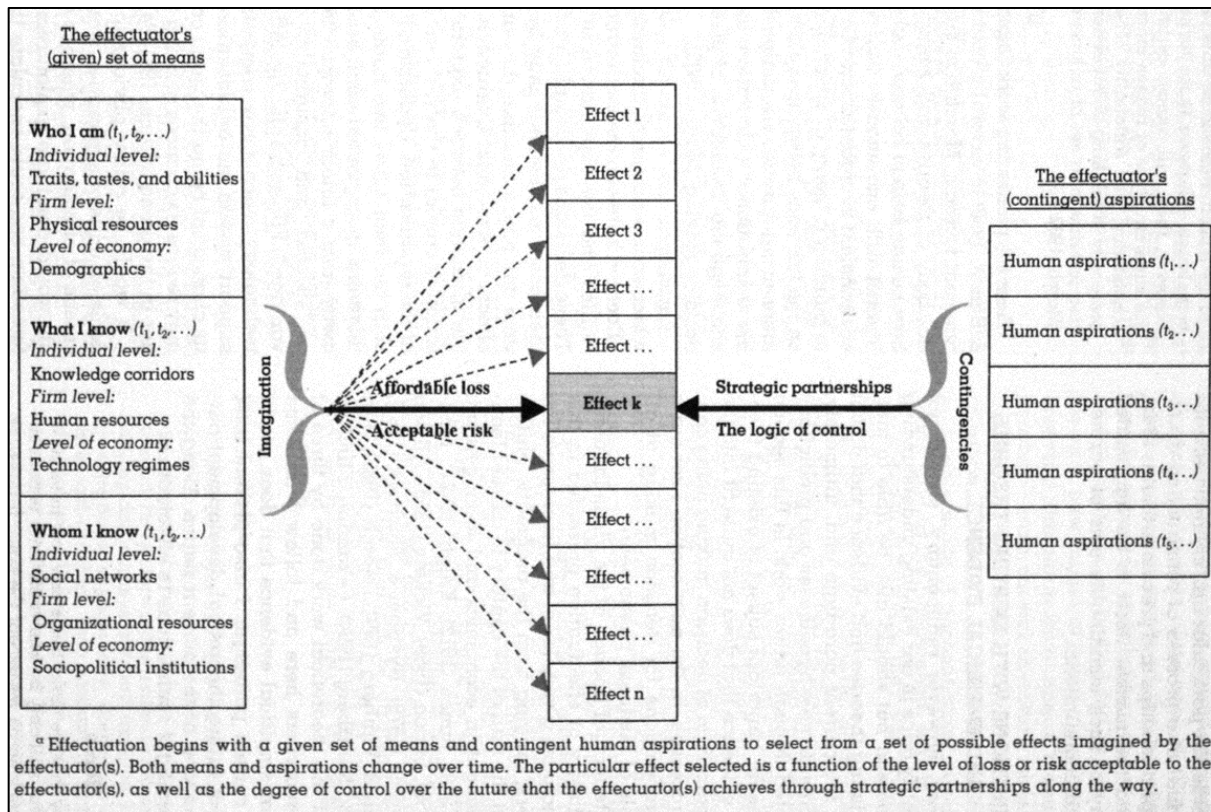
Based on the above ideas, Sarasvathy presents a rudimentary theory of effectuation shown below in Figure 2.1. It is articulated in four principles<sup>7</sup>, “*Affordable loss rather than expected returns, strategic alliances rather than competitive analyses, exploitation of contingencies rather than exploitation of pre-existing knowledge and controlling an unpredictable future rather than predicting an uncertain one.*” (Sarasvathy, 2001a: 252).

On the empirical level, the ideas that fed into effectuation emerge from her use of thinking protocol analysis to decipher expert behaviour. Her respondents included exceptionally successful entrepreneurs who had established businesses with revenues ranging from \$200 million to \$6.5 billion at the time of Sarasvathy’s research in March 1997. They were each given a 17-page document detailing ten decision problems, characterising the process involved in converting an idea into a thriving business. Deploying the insights from the underlying problem-solving process that emerged from this exercise, she postulated her theory of effectuation positioned within a March-Wick-Mintzberg conceptual space. Her *Academy of Management* conference paper (Sarasvathy, 2001b) explains in detail the research process through which the theory of effectuation came into being.

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<sup>7</sup> Her co-authored textbook (Read, Sarasvathy, Dew, & Wiltbank, 2016b) includes a fifth, The *bird-in-hand principle*.

Figure 2.1: The effectuation theory



(Source: Sarasvathy, 2001a)

#### 2.1.4. Post-theory, early conceptual development

An early extension of effectuation doctrine extending it to new industry creation came through the argument that the process involved in the creation of a new firm and the creation of a new industry are the same and in both, the effectual logic works better than the causal logic (Sarasvathy & Dew, 2005). One of the key arguments of effectuation is a separation of prediction from control. Prediction and control are at the core of natural sciences such as Physics and are credited for many advances in a myriad of fields of engineering. However, Sarasvathy argues for a conceptual separation between the two for a social domain such as entrepreneurship. This idea is subsequently scrutinised and it is argued that individuals and organisations driven by a predictive behaviour are less successful due to the uncertainties involved in both the start-up process and further development of a business organisation (Wiltbank, Dew, Read & Sarasvathy 2006). It is, therefore, claimed that "the pursuit of

*successful outcomes can occur through control-oriented approaches that may essentially be non-predictive” (Wiltbank et al., 2006:981).*

The next development is the postulation of a behavioural theory of the entrepreneurial firm<sup>8</sup> (Dew, et al., 2008) that extends the scope of effectuation. It focuses on *“accumulating stakeholder commitments under goal ambiguity ... achieving control (as opposed to managing expectations) through non-predictive strategies, and ... on transforming environments rather than acting within extant ones”* (Dew, et al., 2008:37). Subsequently, drawing ideas from behavioural economics, the affordable loss principle is analysed in significant detail to explain how entrepreneurs conclude what they can afford to lose. Based on this, it is suggested that *‘affordable loss’* should be a decision-making tool in entrepreneurship akin to profit maximisation in economics (Dew, Sarasvathy, Read & Wiltbank, 2009). It should be noted that these early extensions to the effectuation thesis were made by a team of scholars that included Sarasvathy.

#### 2.1.5. Early empirical support

As effectuation articulated by Sarasvathy (2001a), like all nascent theories had rough edges, prior to early empirical testing, refining, operationalising and clarifying its operative principles was attempted (Read, Song & Smit, 2009). It was clarified that effectual means are *“only those that are relevant to the venture”*, effectual partnerships are *“only those in which both parties share the risk of the venture and benefit from (its) success”*, the affordable loss was not *“the inherent risk in the industry or the enterprise but the outcome of the worst-case scenario”* for the entrepreneur and leveraging contingency is the *“entrepreneur's willingness to change when confronted with new information, means or surprises”* (Read et al., 2009: 573-4). The consequent metanalysis of nearly ten thousand journal articles on highly diverse new businesses shows that - except affordable loss - all variables that operationalise different effectual principles are positively and significantly related to new business performance (Read et al., 2009). For a nascent theory, this is a very powerful vindication.

Further confirmation of the effectuation thesis is provided through the use of the thinking aloud protocol analysis originally used by Sarasvathy. As subjects in Sarasvathy's initial research were only successful entrepreneurs, to have a control group for a more *‘scientific’*

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<sup>8</sup> This is parallel to the behavioural theory of the firm (Cyert & March 1963)



experiment, behaviours of thirty-seven MBA students along with twenty-seven entrepreneurs are investigated. It is found that expert entrepreneurs use effectual logic in their decision process whereas novices use predictive logic (Dew, Read, Sarasvathy & Wiltbank, 2009). This experiment though confirms the presence of effectuation in the behaviour of entrepreneurs, use of MBA students as the control group compromises the internal validity of this research as it uses non-equivalent cohorts (Baron, 2009).

A Key postulate of effectuation thesis is that successful entrepreneurs use the 'control or non-predictive strategies. Testing this in the context of angel investors, it is shown that prediction driven angel investors invest in much larger funds. However, those exercising nonpredictive control are better able to reduce investment failures without any reduction in investment successes (Wiltbank, Dew, Read & Sarasvathy, 2009).

This adds further weight to the utility of effectuation in entrepreneurial decision making. In a further use of protocol analysis to validate the effectuation thesis, rather than the start-up decision, the marketing decision under uncertainty is analysed and the behaviour of expert entrepreneurs with managers is compared. Here too the finding is that managers take decisions based essentially on predictive ( or causal) methods, whereas expert entrepreneurs deploy nonpredictive (or effectual) reasoning to take the same decisions (Read, Dew, *et al.*, 2009).

The first key attempt to operationalise effectuation by researchers excluding Sarasvathy occurs after a decade of its postulation. It shows that effectuation is a multidimensional and formative construct and has three unique sub-dimensions, affordable loss, experimentation and flexibility whereas it shares the pre-commitments dimension with causation. When these constructs are tested on two samples of entrepreneurs, it is found that causation has a negative correlation with uncertainty while experimentation has a positive correlation with it. This means that in highly uncertain situations entrepreneurs use experimentation rather than causation (Chandler, DeTienne, McKelvie & Mumford, 2011). At the same time, explorative case studies of early internationalisation experience of born global firms also confirms that effectuation has significant potential in analysing international entrepreneurship (Andersson, 2011).

#### 2.1.6. The initial discordant notes

Post-2011, effectuation studies, undertaken by teams of scholars that did not include Sarasvathy, began to emerge. Crucially, many of these reported a lack of equivocality of evidence on effectual premise. For instance, the finding that entrepreneurs with “*linear or expert career motives*” prefer causation in their decision-making whereas entrepreneurs with “*spiral or transitory career motives*” prefer effectuation (Gabrielsson & Politis, 2011) is somewhat inconsistent with the premise that links expert entrepreneurs with effectual behaviours. Another non-confirmation of this thesis is reported when a new conceptual model of entrepreneurial decision-making attempted to link the external environment to entrepreneurs’ decision-making modes and consequent generation of opportunities. When the model is tested, it emerges that the entrepreneurs respond to changing regulatory and financial environments in such a way that they sometimes shift their decision-making modes from effectuation to causation, they stay in one of these and sometimes they use a combination of these two. A key finding of this work is that effectuation does not necessarily result in opportunity creation (Maine, Soh & Dos Santos, 2015). The finding that effectuation is not a consistent decision mode for successful entrepreneurs constitutes a significant rejection of the effectuation thesis.

Further lack of exclusivity of effectual behaviour amongst entrepreneurs emerges from a mixed-method study of 385 decision events in nine different technology ventures which compares effectual decision-making approaches with planning based causal approaches. It is found that entrepreneurs combine these approaches and their emphasis on these two changes over time (Reymen, *et al.*, 2015). A study examining internationalisation decision making processes of entrepreneurs reports that they use effectuation and causation as substitutes and they do not use only one of the two, though those who have pre-existing contacts in a foreign market rely more often on effectuation (Chetty, Ojala & Leppäaho 2015). This too raises questions on consistent use of effectuation by entrepreneurs.

#### 2.1.7. Evaluation of effectuation: The AMR dialogue

The most comprehensive evaluation and critique of the effectuation thesis come from Arend, Sarooghi & Burkemper (2015). They use an updated version of Dubin’s (1969) 3E framework to assess effectuation as a theory. One of the most useful aspects of their work is a summary

of the effectuation thesis. For a student of effectuation, this short and yet comprehensive summary clarifies effectuation greatly. Their assessment too is wide-ranging. They evaluate its core process, its outcomes including its artefacts and effects, its actions, its decision making, factors affecting the process as well as its secondary processes. Their summarised assessment is in Table 2.2.

Given that by then the idea of effectuation has been in circulation for 15 years and has been extensively cited, this is a timely assessment. In its wake, the *Academy of Management Review* published a 'dialogue' amongst five teams of scholars who participated in a discussion on what effectuation is and whether its critique by Arend *et al.* (2015) is fair and appropriate. For a student of effectuation as well as for a student of social theory these pieces of writing are a source of significant learning.

Arend *et al.* (2015:631) claim that though "*effectuation meets several basic criteria for theory building...some of the criteria that are not met are specific to theorizing about entrepreneurship*". The way effectuation is articulated, at the first impression, it does look novel. However, they claim that it lacks novelty and fails to recognise pre-existing ideas parallel to as well as leading to it such as bricolage, experimentation, mindful trial and error as well as thoughtfulness.

For them, along with a lack of a control group in the first effectuation study and then the inclusion of non-equal groups in subsequent research, are also key issues. The data that came from protocol analysis of the 'expert' entrepreneurs did not discuss how they had started their businesses but it came from their responses to hypothetical business start-up situations.

Table 2.2: A critique of effectuation

Stage	Criteria	Assessment Issues	Recommendation
Experience	Built on existing literature	Some failure: lacks reference to pre-existing work on bricolage, experimentation, options thinking, and risk management; thus, fails to prove novelty	Build on existing constructs and ideas; compare and contrast with previous work; prove added value with new insights
	Built on valid observation	Some failure: low N; questionable definition of an “expert”; some lab-based scenarios not aligned with findings; no comparison group in the original study	Do more studies of the process in the field; larger N; prove the robustness of “expert” definition; use a valid comparison group
Explain	Units: <ul style="list-style-type: none"> <li>• Comprehensive</li> <li>• Parsimonious</li> </ul>	Some failure: missing many important units—rivals, substitutes, institutional players, and so on	Add missing units to be comprehensive to the focal phenomenon; add to the precision of definition of units, especially outputs, like “artefacts”
	Laws clear (about unit interaction)	Some failure: provision of how units interact, but not why; directionality problematic for several laws (either ambiguous functional relationship or relationship simply assumed without explanation)	Add explicit directionality to laws and explain the relationships; expand on how “minimum” levels of a unit’s characteristics are generated or guaranteed in the process
	Boundaries specified: Precise rules	Some failure: no precise landscape defined (to test alternatives against); no clear performance metric given; aimed at multiple levels of analysis	Specify the competitive landscape with mathematical precision; specify focal dependent variables, sequences, outcomes, and other issues of interest
	System states exist	Failure: no stable states exist	Specify at least one interim stable state
	Propositions consistent with the model	Some failure: propositions provided are not the three required types; statements of contrast to strawman of causality provided instead	Specify independent or stand-alone propositions (of all three types); highlight unintuitive and counterintuitive propositions
	Assumptions reasonable	Some failure: flaws with entrepreneur’s abilities, nonpredictive control, means-driven action, affordable loss, value creation, and sustainability	Clarify or fix flaws, especially with the span of prediction, liabilities, and bounded rationality of the individuals involved
	Logic: <ul style="list-style-type: none"> <li>• Causality explicit</li> <li>• No tautologies</li> <li>• Coherent</li> </ul>	Some failure: lacking explanation of why laws among unit’s work; syllogism (many laws are true by context); effectuation is not a single construct or process	Explain causality for the main laws; delineate what is not true by context; either find coherence in the concept or split up the process into coherent parts
Establish	Empirically testable	Indeterminate: untestable because of a lack of system states and some language, yet has been tested in literature to some degree in contrast-type studies among agents	Propose less “problematic” tests; provide falsifiable predictions (or refrain from referring to this as a “theory”)
	Diffused in the literature	Indeterminate: a tight group of authors; much of work in non-top-tier outlets; repetitive content; cited in passing	others; lower defensiveness in dialogues
	Practitioner value: <ul style="list-style-type: none"> <li>• Understandable</li> <li>• Nonobvious</li> <li>• Implementable</li> </ul>	Indeterminate: some language not user friendly, some catchy; much of the description is obvious, especially to the experienced; some general prescriptions but also seemingly self-defeating (e.g., to ignore planning, rivals, and partner opportunism)	Straightforwardly rewrite the ideas; highlight any nonobvious prescriptions and translate to field readiness; explain how real constraints (e.g., requirements for plans) can be absorbed into the process in the field.

(Source: Arend *et al.* 2015)

Arend *et al.* (2015) argue that the advice not to aim at wildly ambitious and unachievable goals is understandable. However, it is nothing beyond common sense and it is not non-obvious and therefore does not qualify to be a theory. The surprising part of effectuation is that though the data comes from entrepreneurs who at the point of providing information are running businesses with very large turnovers, *prima facie*, the resultant advice seems to be targeted towards resource-starved necessity entrepreneurs, a fact later emphasised by Johannisson (2018).

Another issue highlighted by Arend *et al.* (2015:631) is a number of seemingly false dichotomies on which effectuation hinges. One of these is between causal and effectual behaviour. As they describe it, effectuation is pitted against a “*neoclassical, microeconomic ‘causal’ theory of business processes*”. However, the neoclassical, microeconomic theory is hardly the dominant theoretical paradigm in current entrepreneurship discourse. In fact, the neoclassical, microeconomics presents a “*structural static rather than a behavioural dynamic*” view of the entrepreneurial process (Brenner, 1990:1) and very little of the current treatise in entrepreneurship is of the kind. By presenting effectuation as a counter-thesis to a causal neoclassical, microeconomic doctrine, Sarasvathy presents a theory superior to a theory that has hardly any following in entrepreneurship.

Another false dichotomy inherent in effectuation is the conflict between prediction and control. As Arend *et al.* (2015) eloquently establish, one cannot control anything under one’s command until one has some wherewithal to predict as to what will happen when you press a lever. For instance, how can entrepreneurs control their sales unless they can predict if lowering the price or improving the product performance would have a better influence on sales? It is true that given the uncertainties that the entrepreneur encounters these predictions are merely educated guesses. However, without them, no decision can ever be taken. It is also true that as entrepreneurs know their market, their customers and the technology that they use, they can better predict the consequences of their actions. The idea that we can control anything without any idea of which way our actions would influence the outcome is far from plausible.

The first response to Arend *et al.* (2015) is provided by Read, Sarasvathy, Dew & Wiltbank (2016a) who have authored together a number of key articles on effectuation related themes cited above and have sought to extend and validate the effectuation thesis. The main plank

of their dismissal of Arend *et al.*'s (2015) assessment is that effectuation is a pragmatist theory and it is inappropriate and unfair to judge it by the yardsticks of a positivist perspective. To the criticism that effectuation is not adequately diffused in the literature, in terms of lack of subsequent works on effectuation in 'top-tier journals', in which Arend *et al.* (2015) found only seven papers, Read *et al.*, (2016a) cite 287 papers. However, they do not apply any quality scales to say which of these, from their perspective, were in 'top-tier journals'.<sup>9</sup> They also do not clearly articulate their perception of a pragmatist theory and why effectuation is such a theory beyond saying that its stance is that of "*a world in the making and makeable by human action*"<sup>10</sup>. They also question the appropriateness of Arend *et al.*'s (2015) description of effectuation particularly its assumptions, many of which, they argue, such as affordable loss are not its assumptions but are its operative principles.

Reuber, Fischer & Coviello (2016) concur with Read *et al.*'s (2016a), assertion that Arend *et al.* (2015) are wrong in measuring a pragmatist theory by a positivist scale. However, they argue that effectuation examines only one aspect of pragmatism i.e., creativity and ignores its another aspect, the 'habit' and make a case for the inclusion of habit in effectuation research as a vital path for future research.

Other contributors to the dialogue Gupta, Chiles & McMullen (2016) too, believe that Arend *et al.* (2015) critique is inappropriate. However, they have a different reason for this. They argue that there can be only two types of theories, a variance theory and a process theory. From their articulation, it is obvious that they believe that a variance theory comes from a positivist perspective. They then argue that the 3E evaluation scale used by Arend *et al.* (2015) is fit to judge only variance theories and not process theories and therefore Arend *et al.*'s (2015) critique of the effectuation thesis is not legitimate. They, however, add that effectuation, which is essentially a process theory, has its progress restricted due to its illogical adherence to equilibrium logic. If it were to break free from the unnecessary baggage of an equilibrium mindset which condemns it a variance theory mode and if it were articulated

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<sup>9</sup> The search for articles published in peer reviewed journals until 2015 with a search item effectuation returned 245 articles. Of these 43 are published in journals that have a ranking on 3 or above in ABS 2015 listing. This means that effectuation, though was not as poorly diffused in the literature as Arend *et al.*'s (2015) claimed, it had fared far worse than what Read *et al.*, (2016) had argued.

<sup>10</sup> Ironically, this assertion itself is couched in a causal-positivist epistemological terms which they claim they do not adhere to.

within a disequilibrium mode, the mainstay of process theory, effectuation would become a better theory as well as a better prescription for practice.

The fourth group to participate in this debate, Garud & Gehman (2016) provide a very detailed prologue before they provide a verdict on Arend *et al.*'s (2015) assessment of effectuation. They include a short but very enlightening summarisation of scholarly discourse within the domain of business and management as to what is a theory, what good theory is and what are the best practices in theory building in business and management. The point that they make is that there is scope within this domain of coexistence of significant theoretical diversity, that such diversity indeed exists and has been appreciated. They also argue that a positivist-normal-science, linear-equilibrium-model of research is ill-suited for research in this field. After this, they almost repeat what Gupta *et al.* argue that 3E is a variance theory judgement tool, effectuation is a process theory and therefore Arend *et al.* (2015) have used a wrong tool to measure effectuation.

Arend, Sarooghi & Burkemper (2016), in response, refute all claims and arguments made by four earlier groups of scholars in defence of effectuation. They claim that their framework is capable of evaluating all scientific theories including pragmatist and process theories and therefore, the claim that their critique of effectuation amounted to fitting a round peg in a square hole was not tenable. They reiterate their assertion that effectuation has not appeared in 'top-tier' journals<sup>11</sup>.

Arend *et al.* (2016), refute Read *et al.*'s, (2016a) claim that their framework cannot test a pragmatic theory. Arend *et al.* (2016) note that their framework tests the impact of effectuation on entrepreneurial practice. This shows it can and does evaluate the pragmatist aspect of effectuation. However, they note that effectuation fails this test as it has no impact whatsoever on entrepreneurial practice. Arend *et al.* (2016) also argue that one of the ways to refute their conclusion that effectuation is ineffectual is to tell by which alternative criteria it should be considered a good theory and note that none of the defenders of effectuation provides any such criteria. Alternately the defenders of effectuation need to show that the

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<sup>11</sup> As noted earlier, a fact-check for this revealed 45 articles in ABS3+ journals. It is difficult to say if this volume of publication in a 15-year period is adequate to believe if the rate of scholarly diffusion is adequate for acceptance of a new idea as established theory. However, as is shown later, the empirical support for effectuation within the business entrepreneurship context is weak.

criteria used by Arend *et al.* (2015) are met by effectuation, or that Arend *et al.* (2015) have wrongly depicted effectuation. They note that none of these has been done by any one of the defenders of effectuation.

Arend *et al.* (2016) also reject the future research directions for effectuation suggested by Read *et al.* (2015) and Reuber *et al.* (2016) on the grounds that they have not prioritised these directions and that without any analysis of deficiency of effectuation it does not make any sense to suggest how it can be improved. They note that, in contrast, their suggestions are based on their well-argued flaws in effectuation. They also reject the claim by Read *et al.* (2016a) and Reuber *et al.* (2016) that effectuation is a pragmatist theory. They cite aspects of effectuation which are not consistent with a pragmatist theory and claim that both these groups of scholars do not understand what pragmatist theory, in reality, is because they have tried to summarise pragmatist theory. They quote Papini (2005:122) who argues that *“whosoever should define pragmatism in a few words would be doing the most anti-pragmatic thing imaginable.”* They reiterate their claim that effectuation does not acknowledge previous research from which it draws. They also reject the empirical support provided to effectuation based on, amongst other things, that the scholars providing the support do not call effectuation a “theoretical system” but rather an *“approach, a construct, a mode, a logic”*.

They argue that ‘causation’ the highly touted behaviour against which effectuation is presented as a counterweight is a *“is a rather poor and overly simplistic caricature of microeconomics”* and that some of the widely acknowledged ideas in entrepreneurship such as Schumpeter’s creative destruction are based on causation. They continue to argue that though a dichotomy does exist between economics’ perception of business behaviour and that of entrepreneurship, Sarasvathy has not been able to provide evidence that *within entrepreneurship* such a dichotomy is prevalent. They also reiterate their claim that effectuation’s practitioner value is not yet established. That effectuation textbook has sold over 10,000 copies<sup>12</sup> does not prove its practitioner value as entrepreneurs do not read textbooks to practice their craft.

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<sup>12</sup> In contrast the book conveying the other idea, which is the co-focus of this research, lean start-up, has sold over a million copies.



They question the validity of the argument that effectuation is a process theory (Mohr, 1982) and its critique by Arend *et al.* (2015:553) uses variance norms to test it. They argue that theory is only of one type and a good theory should be “*accurate, parsimonious, general and useful*” and “*should be able to provide stable, consistent prediction of behavior*” (Hendrickson, 1983: 706). They argue that if it fails to come true on this scale, no matter if we call it a process theory or a variance theory, it is not a good theory and effectuation fails to come true on this test, as they demonstrate in their evaluation. They also claim that though there are many ways of theorising, it does not mean that there are many types of theories. All ways of theorising lead to only one kind of theory.

#### 2.1.8.A critique of the ‘dialogue’

There can be no doubt that Arend *et al.* (2015) provide a timely and comprehensive evaluation of effectuation. In contrast, defenders of effectuation are not able to answer their critique so scrupulously. At the same time, some aspects of Arend *et al.*'s (2015) critique are also not fair. For instance, their claim that Sarasvathy fails to recognise pre-existing ideas parallel to as well as leading to effectuation is not accurate as Sarasvathy does spell out that her theory draws from a set of previous ideas of March, Mintzberg and Weick. That Arend *et al.* (2016) cite some authors whose ideas could be construed to be the origin of effectuation is not a fair critique, as a scholar cannot be faulted if her ideas are independently developed oblivious to some pre-existing ideas. After all, Newton and Leibniz independently discovered calculus unaware of each other's work (Rosenthal, 1951).

To say that effectuation does not have adequate scholarly acceptance too is not true. By 2015, the idea of effectuation was central to nearly 250 peer-reviewed journal articles, 45 of these in ABS3 or above. For a new theory, it certainly is a decent record. That effectuation is not a proven theory because scholars providing support to it do not call it a “*theoretical system*” but rather an “*approach, a construct, a mode, a logic*” too is not fair because the validity of empirical support to an idea should be judged based not on words and phrases used by scholars to describe it but on how strong and widespread such support is. This critique of Arend *et al.* (2015) too, therefore, is not fair. However, they do raise many valid issues which the defenders of effectuation are not able to respond to. For instance, that effectuation is a pragmatist theory and therefore its flaws highlighted by Arend *et al.* (2015) need not be

responded is a lame excuse. To say that their theory need not be “*accurate, parsimonious, general and useful*” and still considered a good theory because it is pragmatic is not a stout defence. On the other hand, Arend *et al.* (2016) claim that theory is only of one type is not true. In fact, a theory can be one of many types and postulation of one type of theory is not superior to postulations of the other types (Abend, 2008).

The main contribution of Arend *et al.* (2015, 2016) is in highlighting false dichotomies central to effectuation, particularly between causation and effectuation. They are also right in rejecting Sarasvathy’s claim that the prevalent entrepreneurship discourse is focused on the “*neoclassical, microeconomic ‘causal’ theory of business processes*” (Arend *et al.*, 2015: 631). As the subsequent literature listed in this review shows there is not much evidence of dichotomy between the causal and effectual entrepreneurial conduct and they run concurrently in everyday practice. That effectuation has not been embraced in the everyday entrepreneurial practice too is a fair critique and the textbook explaining it has sold ten thousand copies is not the evidence contrary to this assertion. The false dichotomy between prediction and control too is rightly highlighted and so is the lack of a control group in the research leading to effectuation.

Independent of Arend *et al.*’s (2015) critique, the idea that individuals starting a business should confine their quest by the limitations of their resources also falls in face of another key and widely embraced articulation of entrepreneurship. This is entrepreneurship as the “*pursuit of opportunity beyond the resources currently controlled*” (Stevenson & Jarillo 1990: 23). Effectuation, in contrast, does not recognise, resource mobilisation, a core aspect of entrepreneurship.

#### 2.1.9. Recent empirical scrutiny and outcomes

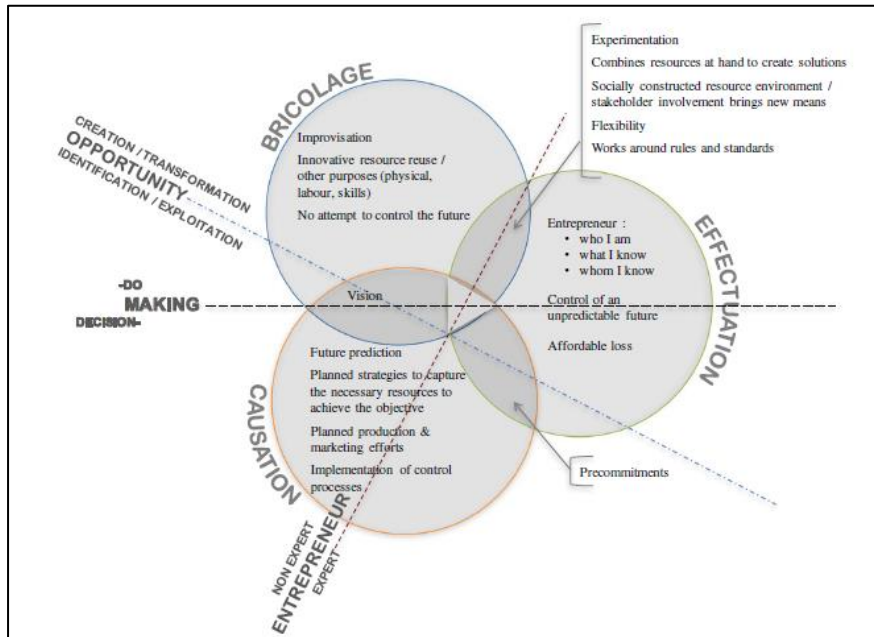
More recent attempts to verify the effectuation thesis, taken together, continue to provide mixed and rather weak support to it. When a set of direct questions are used to test the presence of various aspects of effectual or causal behaviours, it is found that some entrepreneurs exhibit a causal behaviour whereas others display an effectual behaviour. Though, a “*strong, positive and significant relationship between uncertainty and effectuation*” is found (Alsos, Clausen & Solvoll, 2016: 251), the universal presence of effectual behaviour in all entrepreneurs is not confirmed.

A more important non-confirmation of effectuation thesis emerges when several studies report that novice entrepreneurs exhibit effectual behaviours (Brettel, Mauer, Engelen & Küpper, 2012; Engel, Dimitrova, Khapova & Elfring, 2014; Engel, Van Burg, Kleijn & Khapova, 2017). Another discordant note is struck when in a less developed country Ethiopia, it is shown that effectuation does not lead to the superior financial performance of newly established firms in relation to causation (Eyana, Masurel & Paas, 2017). Given that entrepreneurs in developing countries are more resource-starved than entrepreneurs in developed countries, this raises questions on the superiority of effectual strategies in resource-deficient environments to which it seemingly applies more. It is also shown that novice entrepreneurs use both causation and effectuation, both of which yield a positive firm performance and in fact the positive effect of causation on firm performance is stronger (Laskovaia, Shirokova & Morris 2017). The dichotomous conceptualisation of effectuation and causation (Chandler *et al.*, 2011; Brettel *et al.* (2012),) is also rejected and evidence is presented to show that entrepreneurs often combine these two logics (Shirokova, Osiyevskyy, Morris & Bogatyreva, 2017).

In contrast, the case study of a family firm demonstrates the role of effectual logic in its start-up process. Using pre-effectuation theories of sensemaking and deploying habits and routines that shape entrepreneurial behaviours, the role of effectuation in both the start-up-process as well as in its success is confirmed (Jones & Li 2017). Another study in the same genre presents a longitudinal case study of a social enterprise (Servantie & Rispal, 2017) that took roots and flourished under extremely challenging circumstances and yet continues to deliver exceptional social value. It finds that three seemingly competitive entrepreneurial paradigms of bricolage, effectuation and causation are all used in overlapping and concurrent fashion (Figure 2.2). By differentiating bricolage, effectuation and causation, it is argued that effectuation “...focuses on the controllable aspects of an unpredictable future..., causation...concentrate(s) on the predictable aspects of an unclear future...(whereas) bricolage...does not focus on control or prediction...”. They find that effectuation is visible throughout the existence of the enterprise, bricolage more prevalent during the emergence of the enterprise whereas causation starts in the growth phase and is dominant in the replication and sustainability phase.

Further support to effectuation comes when the scope of effectuation is extended from uncertainty to risk. Using a simulation, rather than thinking aloud protocol with real entrepreneurs, it is shown that effectuation performs better than causation under conditions of both uncertainty and risk and it is estimated that for causation to outperform effectuation, the entrepreneur needs to correctly predict the future over 75% times (Welter & Kim, 2018).

Figure 2.1.92: Overlap of bricolage, effectuation and causation



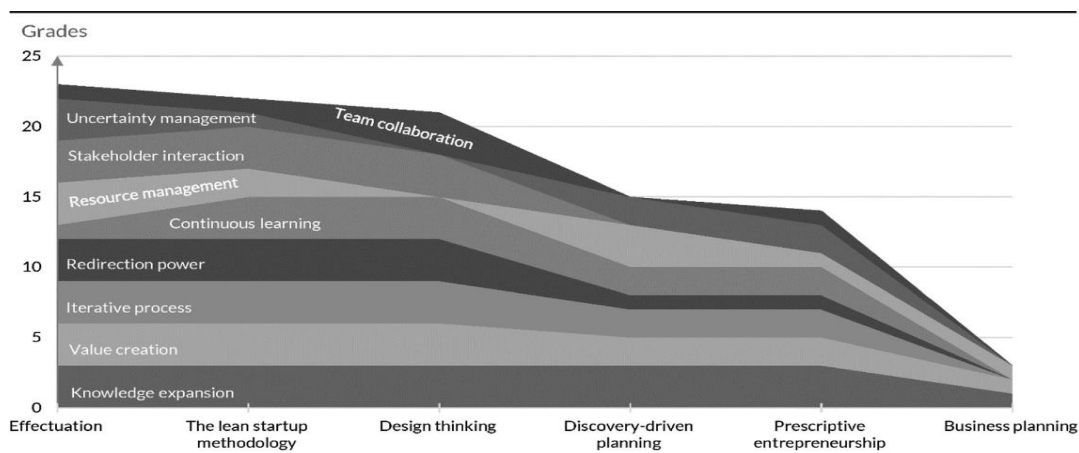
Source: Servantie & Rispol, (2017:321)

More recent works though do not establish unequivocally the prevalence of effectual logic in entrepreneurial behaviours, they do report its occurrence in some specific contexts. For instance, it is shown that entrepreneurs working toward science-based ventures succeed using causal approaches while non-science-based entrepreneurs achieve success through effectual approaches (Villani, Linder & Grimaldi, 2018). Similarly, both effectuation and causation result in successful business model innovation in industries that have moderate growth. However effectual behaviour is more productive in industries with high growth and causal behaviour in industries with low growth (Schmidt & Heidenreich, 2018).

It is also reported that effectuation is not a core or pervasive behaviour. It occurs only in infrequent 'episodes' and the entrepreneurs act effectually only sporadically. The occurrence of effectual episodes depends on an entrepreneur's perceptions of the uncertainty and how well they believe they can cope with it. Both high perceived uncertainty and a lack of belief in

one's ability to cope with it trigger an episode of effectuation (Jiang & Ruling, 2019). It is also found that effectuation delivers on each of the nine dimensions of entrepreneurial outcomes<sup>13</sup> (Figure 2.3). The second and only slightly less comprehensive approach is lean start-up. Design thinking, discovery-driven planning, prescriptive entrepreneurship and business planning perform relatively less well on this scale (Mansoori & Lackeus, 2020). This justifies the approach used in this research in which effectuation and lean start-up, the top two constructs from this perspective, are combined.

Figure 2.3: Entrepreneurial methods across conceptual dimensions



(Source: Mansoori & Lackeus, 2020:810)

One of the studies comparing the effect of effectuation and causation on business performance finds causation to be the key influence on business performance in expert entrepreneurs' businesses. However, effectuation is more versatile and works well in enterprises run by experts as well as novices (Ruiz-Jimenez, Ruiz-Arroyo & del Mar Fuentes-Fuentes, 2020). In a comparison of the configuration of start-up approaches that lead to subsequent business growth, it is found - contrary to postulation in the effectuation theory - that these configurations could be of three kinds, starting with effectuation and moving to causation, starting with causation and remaining with causation and starting with a mix of causation and effectuation and subsequently dropping one of these (An, Ruling, Zheng & Zhang, 2020).

A key aspect of the literature on effectuation is significant diversity in the measures that effectuation scholars have developed and used to detect it. This has happened because the

<sup>13</sup> knowledge expansion, value creation, iteration, ability to pivot, continuous learning, resource management, stakeholder interaction, uncertainty management and team collaboration

researchers have perceived effectuation in a variety of ways. For instance, it is perceived by some as a process theory and by others as a variance theory. Further, some have focussed on behaviours (like this research has) and others have analysed decisions. In some studies, the unit of analysis is firm and in others, it is the entrepreneur. The studies also differ in their operational context, timeframes and business domains. Given this overwhelming plurality in various facets of effectuation, the outcomes of these efforts are very difficult to compare. It has, therefore, been advised that the effectuation scholars declare each of these at the outset so that the literature on the field becomes more organised and makes a better sense (McKelvie, Chandler, DeTienne & Johansson, 2020). It has also been highlighted that though entrepreneurship has benefitted from insights from economics, psychology, and sociology, it has not contributed back to these or any other disciplines. It is argued that effectuation provides the best opportunity to return the favour. Five key aspects of effectuation *“uncertainty, co-creation, resources, goals, and control”* are identified as notions that can advance the current discourse in the fields of *“...management, marketing, organizations, finance, and operations...”* (Alsos, Clausen, Mauer, Read & Sarasvathy, 2020:605)

It has also been argued that *“...effectuation’s contribution to entrepreneurship scholarship is more limited than its advocates claim...”* This is so because the venture criterion process is influenced deeply by the *“social-structural and cultural contexts”*. However, effectuation reduces the start-up process to just a *“decision-making logic”* and ignores the contexts in which it takes place (Kitching & Rouse, 2020:515). A structured review of literature of 101 journal articles concludes that empirical evidence on effectuation as a mode of action for nascent entrepreneurs is not conclusive. It does occur, however, in conjuncture with other approaches. It becomes the dominant behaviour only at the peaks of uncertainty and diminishes when certainty in the process improves (Grégoire & Cherchem, 2020). It is also recently reported that entrepreneurs who receive family support set up their businesses concurrently using effectual and causal logic and have better performance (Braun & Sieger, 2021). It is also found that no matter what logic drives the entrepreneur, its effect on the performance of their start-ups is moderated by the institutions in the country. In the countries with well-developed financial, cultural and educational institutions, causation is more effective in delivering good performance whereas, in countries where these institutions are less developed, effectuation turns out to be a better strategy to deliver good performance. It

seems that the quality of these institutions determines various types of uncertainties that the entrepreneurs face. In more uncertain environments, effectuation works better and in less uncertain environments causation works better (Shirokova, Morris, Laskovaia & Micelotta, 2021).

It is well known that entrepreneurs suffer from two biases. These are overconfidence and illusion of control (Busenitz & Barney, 1997; Simon, Houghton & Aquino, 1999). It has been recently reported that as non-predictive control is an important aspect of effectuation, it enhances the illusion of control. At the same time, it reduces overconfidence (Zhang, Foo & Vassolo, 2021). The implication is that the two biases that could make an entrepreneur make a mistake are both modified by effectuation. However, more research is needed to understand how such a modification would influence the venture outcomes. It is also emphasised that the effect of effectuation is context-specific and the older firms, those in high-technology sectors and emerging markets benefit more through its use (Chen, Liu & Chen, 2021).

Table 2.1.92.3: Evolution and development of effectuation thesis<sup>14</sup>

Source	Contribution / key finding / key argument	Research context	Nature of contribution
March (1982); Weick (1991); Mintzberg (1995)	Theoretical origins of Effectuation	Ideas leading to Effectuation	Forerunners
Sarasvathy (2001a, 2003)	Effectuation thesis proposed	Expert entrepreneurs	New theory
Sarasvathy & Dew (2005)	Both In the creation of a new industry and a new firm, the effectual logic works better than the causal logic	Expert entrepreneurs / Pioneers of the radio frequency identity industry	Empirical support
Wiltbank, et al. (2006:981)	<i>"The pursuit of successful outcomes can occur through control-oriented approaches that may be essentially non-predictive"</i>	Extant literature and anecdotal evidence	Conceptual support
Dew, et al. (2008)	Propose a behavioural theory of the entrepreneurial firm, parallel and complementary to Effectuation	Conceptual work	Conceptual support
Read, et al. (2009)	- Except affordable loss - all variables that operationalise different effectual principles positively and significantly influence new business performance	Mata-analysis of 9897 journal articles	Refinement, operationalisation, empirical support
Dew, Read, et al. (2009)	Expert entrepreneurs use effectual logic in their decision process whereas novices use predictive logic	Expert versus novice entrepreneurs	Empirical support

<sup>14</sup> The table includes 42 sources identified in the first round of search and 12 sources subsequently found.

Source	Contribution / key finding / key argument	Research context	Nature of contribution
Baron (2009)	The evidence on the use of effectual logic by expert entrepreneurs and use of predictive logic by novices is not conclusive due to a post-test only research design involving non-equivalent groups	Expert versus novice entrepreneurs	Questions methodological rigour
Dew, Sarasvathy, <i>et al.</i> (2009)	Propose 'affordable loss' as a decision-making tool in entrepreneurship akin to profit maximisation in economics	Conceptual work	Conceptual support
Read, Dew, <i>et al.</i> (2009)	Managers take decisions based on predictive methods, whereas expert entrepreneurs deploy effectual reasoning	Expert entrepreneurs versus managers	Empirical support
Chandler, <i>et al.</i> (2011)	Effectuation has three sub-dimensions, affordable loss, experimentation and flexibility. It shares the pre-commitments dimension with causation. Causation has a negative correlation with uncertainty while experimentation has a positive correlation with it.	Entrepreneurs in early-stage ventures	Refinement and operationalisation
Gabrielsson & Politis, (2011:281)	Entrepreneurs with " <i>linear or expert career motives</i> " prefer causation and entrepreneur with " <i>spiral or transitory career motives</i> " prefer effectuation.	Expert versus transitory, career motives entrepreneurs	Application to a new context, partial non-confirmation
Evers & O'Gorman (2011)	Use of effectuation logic and significant improvisation in the internationalisation of new ventures	Internationalising new ventures	Application to a new context, empirical support
Andersson (2011)	Effectuation has significant potential in analysing international entrepreneurship	International entrepreneurs	Application to a new context
Brettel, <i>et al.</i> (2012)	Novice entrepreneurs too exhibit effectual behaviours	Novice entrepreneurs	Empirical non-confirmation
Andries <i>et al.</i> (2013)	Simultaneous experimentation involves effectual conduct which resolves the tension between 'action' and 'planning.'	Business model development	Application to a new context, empirical support
Engel, <i>et al.</i> (2014)	Novice entrepreneurs too exhibit effectual behaviours	Novice entrepreneurs	Empirical non-confirmation
Arend, <i>et al.</i> (2015)	Not adequately diffused in the literature, practitioner value is not established, lacks novelty, fails to recognise pre-existing ideas, lack of control group in original research, not non-obvious, false dichotomies between causal and effectual behaviour as well as between prediction and control	Critique of theory	Comprehensive critique
Maine, <i>et al.</i> (2015)	Entrepreneurs shift their decision-making modes from effectuation to causation and sometimes they use a combination of these two. Effectuation does not necessarily result in opportunity creation.	Qualitative case studies of three biotechnology entrepreneurs	Empirical non-confirmation
Chetty, <i>et al.</i> (2015)	For internationalisation decisions, entrepreneurs use effectuation and causation as substitutes. Those who have pre-existing contacts in a foreign market rely mostly on effectuation.	Internationalising entrepreneurs	Application to a new context, partial support



Source	Contribution / key finding / key argument	Research context	Nature of contribution
Read, <i>et al.</i> (2016a)	Effectuation is a pragmatist theory, wrong to judge it by the yardsticks of a positivist perspective, it is adequately diffused in the literature, has significant practitioner value, affordable loss not its assumption but is its operative principle	Response to critique	Defend Effectuation
Reuber, <i>et al.</i> (2016)	Wrong in assessing a pragmatist theory by a positivist scale, effectuation examines only one aspect of pragmatism i.e., creativity and ignores its another aspect, the 'habit'	Response to critique	Defend Effectuation and suggest a way forward
Garud & Gehman (2016)	3E is a variance theory judgement tool, effectuation is a process theory and therefore 3E is a wrong tool to measure effectuation.	Response to critique	Defend Effectuation
Gupta, <i>et al.</i> (2016)	Effectuation is essentially a process theory. It is wrong to judge it by the variance theory scales. If Effectuation were to be articulated within a disequilibrium mode, the mainstay of process theory, effectuation would become a better theory as well as a better prescription for practice.	Response to critique	Defend Effectuation and suggest a way forward
Arend, <i>et al.</i> (2016)	3E framework can evaluate all scientific theories. Effectuation is not a pragmatist theory as its aspects are not consistent with a pragmatist theory, effectuation's practitioner value is not yet established	Response to responses to the Arend, <i>et al.</i> (2016) critique	Defend their critique of Effectuation
Alsos, <i>et al.</i> (2016:251)	Entrepreneurs with Darwinian identity exhibit a causal behaviour whereas those with a Communitarian identity display an effectual behaviour. "... strong, positive and significant relationship between uncertainty and effectuation"	Early-stage entrepreneurs	Application to a new context, partial empirical support
Kuechle, <i>et al.</i> (2016)	In face of favourable information, effectual strategies cause acceptance of uncertain prospects. If unfavourable information is received prediction-based strategies cause their acceptance	Nature of information	Application to a new context, partial empirical support
Parida, George, Lahti & Wincent (2016)	Initial sales depend on causation. However, perceived gains strengthen the positive relationship between effectuation and initial sales.	Initial venture sales	Application to a new context, partial empirical support
Engel, <i>et al.</i> (2017)	Novice entrepreneurs too exhibit effectual behaviours	Novice entrepreneurs	Empirical non-confirmation
Eyana, <i>et al.</i> , (2017)	In a developing country, Effectuation does not lead to a superior financial performance of newly established firms in relation to causation	Developing country	Empirical non-confirmation
Laskovaia, <i>et al.</i> (2017)	Novice entrepreneurs use both causation and effectuation, they both yield a positive firm performance but the positive effect of causation on firm performance is stronger.	Novice entrepreneurs	Empirical non-confirmation

Source	Contribution / key finding / key argument	Research context	Nature of contribution
Shirokova, <i>et al.</i> (2017)	Entrepreneurs often combine these two logics	Multi-country Student study	Mixed support
Jones & Li (2017)	Case-study of a family firm suggests that effectuation plays a role in both the start-up-process as well as in its success	Single case study	Empirical support
Servantie & Rispal, (2017)	Effectuation is visible throughout the existence of the enterprise, bricolage more prevalent during the emergence of the enterprise, causation starts in the growth phase and dominates in replication and sustainability phase	Longitudinal case study of a single social enterprise	Empirical support
Welter & Kim (2018)	Effectuation performs better than causation under conditions of both uncertainty and risk. For causation to outperform effectuation, the entrepreneur needs to correctly predict the future over 75% times	Agent-based simulation	Empirical support in a simulated context
Johannisson (2018:397)	Sarasvathy's discourse hinges on economic theorisation. She fails to see that the reality is socially constructed " <i>...the effectuation logic has a cognitive bias with little explicit concern for the role of emotional commitment and desire...</i> "	Conceptual critique	Conceptual rejection
Villani, <i>et al.</i> (2018)	Entrepreneurs working toward science-based ventures succeed using causal approaches while non-science-based entrepreneurs achieve success through effectual approaches.	science-based versus non-science-based ventures	Extends and provides empirical support
Schmidt & Heidenreich (2018)	In industries that have moderate growth both effectuation and causation result in successful business model innovation. Effectual behaviour is more productive in industries with high growth and causal behaviour in industries with low growth.	Industries with the varying pace of growth	Context-based partial empirical support
Jiang & Ruling (2019)	Effectuation is not a core or pervasive behaviour. It occurs only in infrequent 'episodes'	Typology	Conceptual rejection
Mansoori & Lackeus (2020)	Entrepreneurial methods across conceptual dimensions	Conceptual comparison	Conceptual support
Ruiz-Jimenez, <i>et al.</i> (2020)	Effectuation is more versatile and works well in enterprises run by experts as well as novices	Value for novice versus experts	Conceptual support
An, <i>et al.</i> (2020)	Examines what kind of configuration of start-up approaches lead to subsequent business science	Antecedents to post-start growth	Empirical rejection
McKelvie, <i>et al.</i> (2020)	Analysis of the literature on the measures that effectuation scholars have developed and used to detect it, a significant diversity is revealed	Measurement of effectuation	Highlights diversity of measurement
Alsos, <i>et al.</i> (2020:605)	Four aspects of effectuation " <i>uncertainty, co-creation, resources, goals, and control</i> " can advance the current discourse in " <i>...management, marketing, organizations, finance, and operations...</i> "	Potential for application to other fields	Highlights value for other disciplines

Source	Contribution / key finding / key argument	Research context	Nature of contribution
Kitching & Rouse (2020:515)	"...effectuation's contribution to entrepreneurship scholarship is more limited than its advocates claim..." because effectuation reduces the start-up process to just a "decision-making logic" and ignores the contexts in which it takes place	Assessment of contribution	Questions contribution
Grégoire & Cherchem (2020)	Empirical evidence on effectuation as a mode of action for nascent entrepreneurs is not conclusive. It becomes the dominant behaviour only at the peaks of uncertainty and diminishes when certainty in the process improves	Assessment of empirical support	Empirical rejection
Braun & Sieger (2021)	Entrepreneurs who receive family support set up their businesses concurrently use effectual and causal logic and have better performance	Identification of appropriate context	Identifies family firms as suitable for simultaneous use of effectual and causal logic
Shirokova, <i>et al.</i> (2021)	In the countries with well (less) developed financial, cultural and educational institutions, causation (effectuation) delivers good outcomes	Identification of appropriate context	Identifies appropriate institutional set-ups
Zhang, <i>et al.</i> (2021)	Effectuation enhances the illusion of control and reduces overconfidence	Behaviour modification	Assesses psychological impact
Chen, <i>et al.</i> (2021)	Effect of effectuation is context-specific and the older firms, those in high-technology sectors and emerging markets benefit more through its use	Identification of appropriate context	Identifies the nature of firms that benefit most

#### 2.1.10. Effectuation research: A summary

Saras Sarasvathy's effectuation thesis is a theoretical contribution that emerges from a classical academic thought process. It has provoked significant conceptual debate and has led to many empirical investigations. It is obvious from the above analysis that as a theory, it has a number of limitations and empirical evidence on it is not only not equivocal, but also significantly tilted against it. As Table 2.3 shows, much of early empirical support to this doctrine comes from the works of a small group of scholars which includes Sarasvathy and more recent independent empirical scrutiny does not provide strong and unambiguous support to it. The main alluded premise of the effectuation thesis based on the assessment of the decision process of very successful entrepreneurs is that success in entrepreneurship comes from effectual behaviours. Sarasvathy and her co-authors try to establish its validity by comparing the decision modes used by successful entrepreneurs with MBA students and then with business managers. They claim, based on their resultant findings, that successful

entrepreneurs use effectual logic, whereas students and managers use predictive logic. Their claim, thus, is that any evidence on novices using effectuation or successful entrepreneurs using causal logic is not tenable within the effectuation premise. However, as Table 2.3 shows, such evidence is significant and has been reported from many diverse contexts. On balance, decisive evidence on the value of effectuation as a stand-alone prescription for entrepreneurial success remains undelivered. Further, as Arend *et al.* (2015, 2016) highlight, its spread to entrepreneurial practice has been limited. However, a major longitudinal study of a social enterprise that has been delivering significant value to a number of stakeholders shows effectuation being used from inception to growth, replication and sustainability (Servantie & Rispal, 2017). It suggests a significant and enduring value of effectuation doctrine in a social enterprise context. This doctoral research thus attempts to fuse its operative principles with another promising idea with considerable practitioner acceptance i.e., lean start-up and seeks to explore their combined efficacy in a social entrepreneurial space from a gender perspective.

## 2.2. Lean start-up

### 2.2.1. Literature scoping process

The literature for review of literature on lean start-up was collated from the online search engine of Cardiff University library. Searching with 'Lean start-up' as the *subject* item, 25 publications were identified. Of these, three were excluded due to their lack of relevance. As the concept of lean start-up was postulated by Ries in 2011 and as all the relevant published literature on the theme happened after 2011, no time restriction was applied to consider all pertinent works published since it was unveiled. However, unlike the literature scoping process followed for collating literature review on effectuation, on this occasion, the inclusion criteria of ABS3+ was relaxed due to the paucity of available publications. The outcome also highlighted the relative lack of scholarly interest in lean start-up vis-à-vis effectuation. Given that over seven hundred and fifty journal articles with effectuation as a key term are currently available, even accounting for the fact that effectuation was unveiled a decade earlier, a noticeable lack of academic interest in lean start-up is obvious, an issue that this research partly addresses.

### 2.2.2. Forerunner to lean start-up: Lean manufacturing

Manufacturing strategy has always been at the core of operations management. It was the most dominant theme of discourse during the early evolution of the “*intellectual structure of operations management*” (Pilkington & Meredith, 2009:185). Within this discourse, the emergence and deployment of ideas surrounding lean manufacturing have played a pivotal role in delivering substantial customer value and enhanced profitability to organisations and have significantly raised the profile of operations management as a field of knowledge (Womack & Jones, 1996). “...*Lean ... encompasses a wide variety of management practices...that... work synergistically to create a streamlined, high-quality system that produces finished products at the pace of customer demand with little or no waste...*” (Shah & Ward, 2003:129).

The idea of lean manufacturing was pioneered and painstakingly refined over the years by Taiichi Ohno (1912-1990), a Japanese entrepreneur and industrial engineer. It was originally called Toyota Production System. However, its adopted version in the USA came to be known as lean manufacturing. Ohno authored many books on lean. One of these, translated in English as *Toyota Production System: Beyond Large-Scale Production* is considered a classic. Waste minimisation is at the core of lean. Ohno identified seven types of wastes (Muda, in Japanese) and provided elaborate advice on how to avoid/minimise them. These include unnecessary *transport* of goods or parts, *inventory*, *motion* in machines or of people not applied in production, *waiting*, *overproduction*, *over-processing* and product *defects*. Subsequently one more, *unused skills* was added to the list. At the core of perceptions of these wastes was Ohno’s conceptualisation of value<sup>15</sup>, a product attribute or a manufacturing activity for which a customer is willing to pay. He argued that any action or process for which the customer is not willing to pay is unnecessary and wasteful. It is, therefore, dispensable. Consequently, lean manufacturing strives to dispense with all actions and processes which do not represent value from this perspective. Another key idea linked with lean is that too much work (*muri*, in Japanese), as well as uneven work (*mura*, in Japanese), breed inefficiency and therefore, the optimum and balanced work, should be the goal of manufacturing management.

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<sup>15</sup> The idea of value is at the core of this research as well. A conceptualisation of value is attempted in the next part of this chapter where it is compared and reconciled with Ohno’s idea of value.

It was soon recognised that lean thinking, while conceptualised for and initially applied to manufacturing, has application value in many other diverse fields of human endeavour where the value of operational efficiency is paramount. Applications of lean thinking have therefore been made in a wide range of areas like health care (Joosten, Bongers & Janssen, 2009; Yousri, 2011), software development (Wang, Conboy & Cawley, 2012), municipal sector management (Arnbjørn, Freytag & Haas, 2011), patient care (Kieran, Cleary, De Brún & Igoe, 2017), dentistry (Noronha, Bhat, Gijo, Antony & Bhat, 2021), higher education (Höfer & Naeve, 2017), construction management (Aureliano, Ariellen, Júnior & Rodrigues, 2019), biomedical equipment breakdown (Thapa, Saldanha & Prakash, 2018), healthcare-associated infections (Montella et al, 2017), IT support services (Gijo & Antony, 2019) and insurance (Kovach & Borikar, 2018) to name a few.

### 2.2.3. Lean start-up idea

Attempts have also been made to advance the domain of entrepreneurship using the insights from operations management (Shepherd & Patzelt, 2013; Phan & Chambers, 2013). For instance, the notion of 'lean entrepreneurship' is envisaged as 'application of lean principles, methods and tools for discovery/creation of opportunities, their evaluation and formation of appropriate organisations to exploit them'. The practice of lean entrepreneurship is best reflected in lean start-up (Ries, 2011) which applies the principles and tools of lean to the business start-up process and is being increasingly adopted worldwide as a potential panacea to deal effectively with its extreme uncertainties.

Lean start-up is proposed and defined by Ries (2011:34) as *"an organisation design to create new product and services under conditions of uncertainty."* It is a novel approach to building new businesses and is slowly replacing the conventional approach used previously, in which, *"...instead of executing business plans, operating in stealth mode, and releasing fully functional prototypes, young entrepreneurs are testing hypotheses, gathering early and frequent customer feedback, and showing 'minimum viable products' to prospects"* (Blank, 2013:67). A key aspect of lean start-up is identification and refinement of a potentially profitable business model, a process fundamentally different from profiting from a functioning business model which is what extant businesses do (Blank, 2013).

Though Ries conceptualised and popularised the concept of lean start-up through his bestselling book, the lean startup movement was originally started by above-cited Steve Blank, a serial entrepreneur, who crystallised its idea from the lessons learnt from the mixed success of his eight startup attempts. Blank recognised that the conventional business start-up process of writing a business plan, getting requisite resources, forming a team, creating a product and trying to sell it hard<sup>16</sup> was fundamentally flawed. He argued that given that over 75% of start-up efforts result in failure (Gage, 2012), this just cannot be the right way. Lean start-up rethinks the entire process to address such distressing failure rates.

Lean startup is popular amongst entrepreneurs in the IT industry in Silicon Valley where little investment is needed compared to other industries and the customer feedback is easy to gather. It is argued that in the existing startup theory, the concept of learning is not incorporated adequately. With the help of customer feedback, this can be achieved (Yang, *et al.*, 2019). Lean startup has emerged as amongst the most extensively adopted approach to entrepreneurship, specifically when the firms are created under conditions of high uncertainty (Contigiani & Levinthal, 2019; Kerr, Nanda & Rhodes-Kropf, 2014). Its value has been found in many associated activities such as the commercialisation of business ideas (Gbadegeshin & Heinonen 2016) and entrepreneurship education (Harms 2015).

#### 2.2.4. Lean start-up principles

##### 2.2.4.1. Entrepreneurs are everywhere

Ries (2011) argues that entrepreneurship occurs in companies of all sizes and ages as products and services are always created under conditions of extreme uncertainty. Global Entrepreneurship Monitor (GEM), the worlds' foremost longitudinal multi-country study of entrepreneurship, considers only individuals whose businesses are less than three and half years' old as entrepreneurs. People whose businesses are older are termed established business owners (Kelley, Singer & Herrington, 2016). Ries, thus, perceives entrepreneurship differently than its conventional perception.

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<sup>16</sup> Excelsior-Henderson Motorcycle case study demonstrates abundantly the spectacular failure of such an approach (Clement, 2019).

#### 2.2.4.2. Entrepreneurship is management

Ries (2011) believes that entrepreneurship involves management. However, it needs a new kind of management. The traditional notion of management assumes good relevant knowledge and certainty. The start-ups do not operate under such conditions. They, therefore, need a novel approach. Though both Sarasvathy (2001a) and Ries (2011) reject the notion of decision making under certainty and believe that it is alien to the start-up process, Ries calls the process a new kind of management whereas Sarasvathy argues that start-up process is fundamentally different from business management.

#### 2.2.4.3. Validated learning

Start-ups not only produce goods and services to earn a profit, but they also learn by experimenting with the entrepreneur's vision to create a sustainable business. Ries (2011) encourages budding entrepreneurs to constantly test their assumptions in the real world and make definite choices only after these assumptions have been validated by the actual market experience.

#### 2.2.4.4. Build-Measure-Learn (Figure 2.4)

Ries (2011) observes that entrepreneurs often spend too much time and resources to build a very refined version of their product, driven by their own perception of what the ideal product should be. His advice, however, is to build a minimum viable product (MVP) at a low cost. They should actively seek user feedback and based on what they learn from this, they should then refine the product to make it more aligned with the customer preferences.

#### 2.2.4.5. Innovation accounting

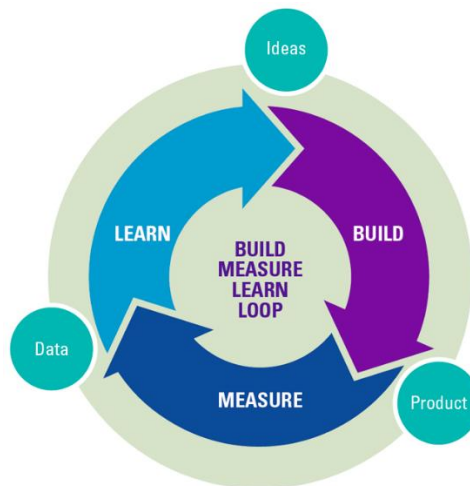
Ries (2011) emphasises keeping an accurate and updated record of tangible effects of refinements to the MVP as well as in the company's business model. This, he calls, innovation accounting. It comprises a sequence of accurately defined, empirically appraised and recorded, real progress of innovation reflected in key measures such as retention of customers and product usage trends. It applies to new businesses as well as businesses making new products.

Ries' five principles are encapsulated in his notion of *build, measure, learn*, in which three stages of an iterative customer feedback loop are embedded. *Build* entails the creation of an



MVP, essentially, the easiest possible product version ready to seek quick and inexpensive customer response. *Measure* entails using actionable metrics to assess customer response to the product and *learn* refers to a repertoire of learnings validated by customer feedback, used subsequently to modify the product and commence a new feedback loop (Baldassarre, Calabretta, Bocken & Jaskiewicz, 2017).

Figure 2.4: The feedback loop



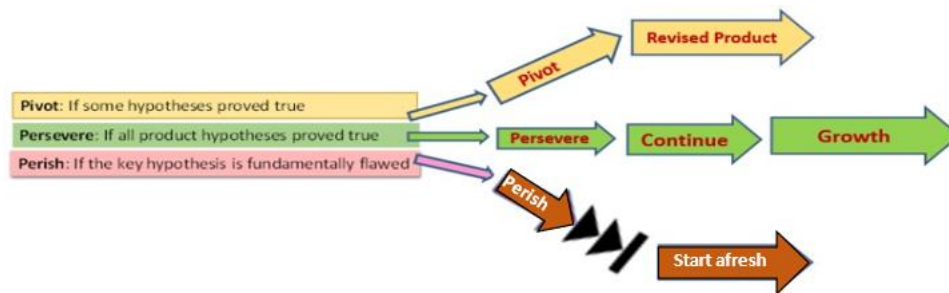
(Source: Ries, 2011)

Lean start-up breaks free from the conventional approach to starting a company. It prefers experimentation to detailed planning, is driven by constant customer feedback and has an iterative, evolving and flexible decision-making approach (Bonazzi & Perruchoud, 2014). It attempts to set up a new enterprise by constant innovation through recurrent and validated experimentation. Given the immense uncertainty surrounding the start-up process in which analysis and planning are rendered fruitless, it is focussed on generating customer feedback to overcome uncertainty through constantly updating learning for both business and product development.

Lean start-up is a hypothesis-driven, scientific approach to new business creation. It starts with the entrepreneur embedding their business idea in a rudimentary physical product (or service) and putting it in the market as a falsifiable hypothesis. The product is then refined through a series of customer feedback, confirming or rejecting one or more features of the product, each visualised as a proposed hypothesis. This hypothesis testing is driven by the “*get out of the building*” approach (Ries 2011:86) using real-time customer response data in contrast to secondary data coming from desk research or a flight of fancy business plan.

This iterative testing of hypotheses leads to three logical courses of action (Figure 2.5). *Persist*, if the hypotheses manifested in the product are proved true, *pivot* if some hypotheses are proven right and some proven wrong and *perish* if the key hypothesis is fundamentally flawed. This also means starting afresh with a new idea and then repeating the entire process. The aim is to achieve a ‘product-market fit’ (Eisenmann, Ries & Dillard, 2012). This happens when the value proposition reflected in the product eventually fully meet the requirement of the customers (Ghezzi & Cavallo, 2018).

Figure 2.5: Pivot/Persevere/Perish



(Source: Author, 2021)

A key aspect of the lean start-up is its rejection of the dominant stage-gate paradigm (Cooper, 2008). It seeks a rapid product launch and its subsequent refinement through an iterative and experimenting process involving feedback from paying customers. Its MVP both tests the business idea as well as becomes the basis for further modifications to improve its fit to the market by constantly seeking and applying customer feedback. Unlike the use of free alpha or beta versions often used by software developers, this process is driven by the paying customer whose input is more reliable. This allows the entrepreneur to identify and constantly tune the business’ ‘engine of growth’. Finally, if desired improvements in the key metrics are not attained despite repeated efforts, the entrepreneur is advised to ‘pivot’ i.e., make a transformational alteration to the business model, resetting all default parameters and start once again from scratch, building a new engine of potential growth in quest for a new sustainable business (Frederiksen & Brem, 2017).

#### 2.2.5.Scholarly scrutiny of lean start-up

Frederiksen & Brem (2017) provide the first systematic reflection on lean start-up from a scholarly perspective and trace the roots of a number of Ries’ ideas in extant literature (Table 2.4). These include user and customer involvement in product and business development,

experimentation and iterations in new product development (NPD), MVP and entrepreneurial thinking, i.e. doing rather than planning.

*Table 2.4: Support for ideas inherent in lean start-up in extant literature*

Area	Support	Literature
User and customer involvement	Very strong	Chesbrough <i>et al.</i> 2006; Huizingh 2011; Cheng & Huizingh 2014
Iterative NPD	Strong	Gassmann <i>et al.</i> 2006; Sandmeier <i>et al.</i> 2010; Salerno <i>et al.</i> 2015;
Experimentation in NPD	Medium	Thomke 1998; Lynn <i>et al.</i> 2003; Hauser <i>et al.</i> 2006; Andries <i>et al.</i> 2013; Kerr <i>et al.</i> 2014
Early Prototyping for proof-of-business	Medium	Block & MacMillan 1985; Coviello & Joseph 2012
Effectual Thinking	Strong	Block & MacMillan 1985; Sykes & Dunham 1995; Sarasvathy 2001a; Read & Sarasvathy 2005; Baker & Nelson 2005; Lange <i>et al.</i> 2007; Sommer <i>et al.</i> 2009; Brinckmann <i>et al.</i> 2010; Chandler <i>et al.</i> 2011; Coviello & Joseph 2012; Fisher 2012

(Source: Frederiksen & Brem, 2017)

One of the first scholarly attempts to empirically check the value of the idea of the lean start-up is made by Harms (2015). He does not test the validity of any of the lean start-up principles. He, however, uses the lean start-up as a pedagogical context to test a number of entrepreneurship education-related hypotheses and confirms the efficacy of the lean start-up as a valid entrepreneurial learning environment. In a similar effort, a new curriculum in business education is built on lines of the lean start-up using students as customers and shaping it through their feedback. It successfully applies the lean start-up approach to education where learners can make an impact and at the same time be in control of future advances in it (Sadowska & Dallas-Conte, 2017).

It is shown that ideas such as MVP and using customer feedback to refine it, at the core of the lean start-up are not that can be used only by individuals with some entrepreneurial ability. These can be taught to novices with no entrepreneurial experience as well (Seet, Jones, Oppelaar & Corral de Zubielqui, 2018). It is also shown that a lean start-up strategy while building a one-person enterprise offers better outcomes for novice entrepreneurs than a resource-intensive start-up strategy with several hired employees (Burke, Millán, Román & van Stel, 2018). In another context, it is proposed that one of the potentially effective ways for internationalisation of SMEs in the high technology sector is for a tech start-up is to be conceived both as a lean and a global actor from the very beginning (Rasmussen & Tanev, 2015).

Despite its obvious benefit for a small new firm, lean start-up has also been shown to work for the big business. A study of product innovation projects in large corporations shows that both top-down and bottom-up initiatives need top management support and cross-functional teams (Edison, Smørsgård, Wang & Abrahamsson, 2018). In this context, one of the key lean start-up processes, experimentation, is shown to work for large businesses as well. Koen (2015) argues that large corporations could benefit from lean start-up as an effective project management process for transformational innovation. Hampel, Perkmann and Phillips (2019) identify corporate entrepreneurship, i.e., new initiatives taken by employees from within the companies, as an area most appropriate for lean start-up kind of experimentation in large corporations.

It is also argued (König, Ungerer, Baltes & Terzidis, 2018) that lean start-up is not an entirely novel idea. The approach is akin to 'adaptive learning strategies' and has its roots in notions such as discovery-driven planning (McGrath & Macmillan, 1995) and critical assumptions (Sykes & Dunham, 1995). An attempt has also been made to link lean start-up with effectuation. Posing effectuation and causation as two contrasting entrepreneurial cognition, it is shown that effectuation is consistent with search behaviours while causation is consistent with execution behaviours within a lean start-up conceptual space (Yang, *et al.*, 2019).

A longitudinal study of four start-ups reported that only the entrepreneurs with good prior market knowledge are able to use the lean start-up more successfully (De Cock, *et al.*, 2020). The first quantitative confirmation of the lean start-up approach found a 'strong and robust' effect of its use on the performance of start-ups in Germany (Harms & Schwery, 2020). In yet another confirmation of its value, it was reported that early customer feedback shakes up unreal presumptions of what people really want and makes the entrepreneur better understand their markets. At the same time, it was also reported that while using a lean start-up approach, "*...endless formulation of new hypotheses may tire out entrepreneurs and prevent scaling...*". An equally important finding of this research was that the teams comprising MBAs are not able to take full advantage of the lean start-up approach due to their entrenched training in "*learning-by-thinking*" rather than the "*learning-by-doing*" that lean start-up entails (Leatherbee & Katila, 2020:572).

Recently, Shepherd & Gruber, (2021) combine Ries' and Blank's ideas with "*Market Opportunity Navigator*" (Gruber & Tal, 2017) and propose four building blocks of the lean

start-up approach. As the original conceptualisation by Ries has two principles<sup>17</sup> that are difficult to operationalise, Shepherd & Gruber (2021) simplify these to make them application-ready for practitioners and research-ready for academics. They propose these building blocks as, “*finding and prioritizing market opportunities*” (p, 971), “*designing business models*” (p, 973), “*validated learning*” (p, 976), “*building minimum viable products*” (p, 978), “*persevere or pivot with course of action*” (p, 980). They, in the process, replace the first two principles proposed but not articulated well by Ries as clearly operationalisable ideas. Table 2.5 shows how the idea of lean start-up started, gained momentum and scholarly acceptance.

*Table 2.5: Evolution and development of lean start-up idea*

Source	Contribution / key finding / key argument	Context	Nature of contribution
Ohno, 1988	Lean manufacturing explained	Industrial manufacturing	Forerunner
Ries, 2011	Lean start-up (LS) proposed	Start-up process	Ground-braking
Eisenmann <i>et. al</i> , 2012	Clarify persist-pivot-perish courses of action	Start-up process	Conceptual clarity
Blank, 2013, 3 <sup>1</sup>	Highlight the ground-braking nature of the LS approach	Start-up process	Conceptual support
Ries & Euchner, 2013, 2	Extend to the large corporations	Innovation in large companies	Conceptual argument
Bonazzi & Perruchoud, 2014	Combine lean startup and effectuation	Entrepreneurship development	Conceptual extension
Harms, 2015, 3	Uses LS to test entrepreneurship education-related hypotheses	Entrepreneurship education	Empirical support
Rasmussen & Tanev, 2015	Extend to the internationalisation of SMEs	Born global	Conceptual extension
Koen, 2015	Propose LS for management of transformational innovation	Large corporations	Conceptual
Dal Lago, <i>et. al</i> , 2016	Application wearable technology	Fashion industry	Empirical support
Ries 2017	Extends to large cooperation	Large corporations	Conceptual extension
Traube <i>et. al</i> , 2017	Application to social work	Social work	Empirical support
Baldassarre, <i>et. al</i> , 2017	Clarify the build-measure-learn cycle	Start-up process	Conceptual clarity
Yaman <i>et al.</i> , 2017, 2	Apply to software development	Software industry	Empirical support
Frederiksen & Brem, 2017, 1	Evaluation of lean startup	Start-up process	first systematic reflection on LS
Sadowska & Dallas-Conte, 2017	Demonstrate the use of LS approach in education	Entrepreneurship education	Empirical application
König <i>et. al</i> , 2018, 3	Argue that lean startup is not a novel idea	Origins of LS	Conceptual critique

<sup>17</sup> These are, one, *Entrepreneurs are everywhere* and two, *the management of uncertainty is entrepreneurship*.

Source	Contribution / key finding / key argument	Context	Nature of contribution
Burke, <i>et al.</i> , 2018, 3	Show utility for novice entrepreneurs	Novice entrepreneurs	Empirical application
Ghezzi & Cavallo 2018, 3	Apply to digital entrepreneurship	Digital industry	Empirical application
Seet <i>et al.</i> , 2018, 2	Show that LS can be taught to novices as well	Novice entrepreneurs	Demonstrates value
Edison <i>et al.</i> , 2018, 2	Show that it works for the big business as well	Big business	Empirical support
Hampel <i>et al.</i> , 2019	Identify appropriateness of corporate entrepreneurship for LS in large corporations	Large corporations	Conceptual extension
Yang, <i>et al.</i> , 2019, 3	Link LS with effectuation	Start-up process	Empirical confirmation
De Cock, <i>et al.</i> , 2020, 3	Identify prior-market knowledge as a pre-condition of LS success	Lean start-up practice	Boundary setting
Harms & Schwery, 2020, 3	Confirm performance improvement through LS	Lean start-up in practice	Empirical confirmation
Leatherbee & Katila, 2020, 4	Confirm practical value, identify teams that can/cannot use it effectively	Lean start-up in practice	Empirical evaluation and boundary setting
Shepherd & Gruber, 2021, 4	Propose 5 building blocks of lean start-up	Start-up process	Improved conceptual clarity

(Source: Author, 2021)

Scholars have highlighted some of the limitations of lean start-up as well. For instance, it has been pointed out that when entrepreneurs apply the learnings from experimentation, they become committed to following it through at least for some time, reducing their ability for further experimentation (Gans, Stern & Wu, 2016). The lean start-up approach could also sometimes force the entrepreneur to a narrow spectrum of possibilities dictated by myopic customer perceptions (Ladd & Kendall, 2017).

#### 2.2.6. Lean start-up research: a summary

The early scholarly research on lean start-up investigated the efficacy of the lean start-up as a valid entrepreneurial learning environment (Harms, 2015), the ideas inherent in lean start-up in extant literature (Frederiksen & Brem 2017), its teachability to novice entrepreneurs (Seet *et al.*, 2018) and its overlap with pre-existing ideas (König, *et al.*, 2018). In subsequent scrutiny, the empirical support for its value is undeniable. This is demonstrated in case of in building a resource-thin one-person enterprise (Burke, *et al.*, 2018), internationalisation of SMEs (Rasmussen & Tanev, 2015), adoption in big business (Edison *et al.*, 2018; Koen, 2015), corporate entrepreneurship (Hampel, *et al.*, 2019), and the nature of search behaviours (Yang, *et al.*, 2019). The above review highlights the paucity not only of the magnitude of

scholarly effort to assess, apply and extend the notion of lean start-up, it also underpins its limited acceptance as a worthwhile theme of discourse at the higher echelon of business and management research, reflected in only 10 journal articles in ABS3+ journals in 10 years, a gap, attempted to be addressed by this research.

### 2.3. Women's entrepreneurship

#### 2.3.1. Literature scoping process

The literature for this part was collated through the online search engine of Cardiff University library. The search, with the subject terms 'female entrepreneurship' OR 'women-owned business' returned over 5,000 items. From these 1576 articles in peer-reviewed journals were separated of which 39 relevant articles published in ABS3+ entrepreneurship journals were chosen for review.

#### 2.3.2. Literature review

The history of scholarly articulations of entrepreneurship goes back nearly two and half centuries to Cantillon (1755). The modern entrepreneurship discourse started in 1934 following the publication of Schumpeter's *'The theory of economic development'*. The academic interest in women's entrepreneurship and women-owned businesses, however, was sparked much later (Minniti, 2009), remained low-key and is not yet an issue central to the current discourse in higher echelons of entrepreneurship research. The first article on women's entrepreneurship<sup>18</sup> was published in 1976 (McAdam, 2013).

The scoping for this research found 39 articles on this theme in ABS3+ entrepreneurship journals. As most of these are published in the last 10 years, it reflects increasing interest recently. A striking feature of the current narrative on the theme is a deep sense of dissatisfaction with the nature of the scholarly pursuit of the theme itself. Ahl's (2006) review of research published on women's entrepreneurship lists lop-sided focus (Gatewood, Carter, Brush, Greene & Hart, 2003), poor theoretical underpinnings (Brush, 1992), disregard for the contextual factors (Chell & Baines, 1998; Nutek, 1996), use of men-centric measurements of performance (Moore, 1990; Stevenson, 1990) and an absence of feminist perspectives

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<sup>18</sup> Schwartz, E. B. (1976). Entrepreneurship-New female frontier. *Journal of Contemporary business*, 5(1), 47-76.

(Mirchandani, 1999; Ogbor, 2000; Reed, 1996). Ahl (2006) lists 10 discursive practices in research on the theme that have hindered a balanced assessment of the phenomenon. These include, gendered and growth-centric measurements, superficial men-women and work-family dichotomies, individualistic and individual explanation driven narrative, focus on statistical mean differences, objectivist ontology, discriminatory institutional support for the entrepreneurship research and discursive writing and publishing practices. Very rarely the critical focus of scholarly discourse is on the discourse itself.

The reason for such a state is not difficult to fathom. From the very onset of scholarly interest in this theme, the so-called 'women's entrepreneurial underperformance' was spotlighted and sought to be investigated, though neither the early nor the subsequent evidence supported the myth. It, however, persisted. It was only a determined and critically powerful backlash that eventually muted it.

The early research highlights the remarkable diversity of women's entrepreneurial experience. For instance, Wanogho (1997:69) provides a powerful testimony of the unfair treatment of black women entrepreneurs in the marketplace, in the voice of one of her subjects. *"I prepared my business plan and took a number of years... I went on all the necessary courses... my business plan was nominated for an award ... judged by regional bank managers and Shell International. When I took this plan to the local banks, they refused to give me a loan because I didn't own a home to use as collateral"*. In stark contrast, another book published in the same year (Buttner & Moore, 1997) chronicles a near-seamless transition of 129 successful women corporate executives in the USA - frustrated by the glass ceiling - to entrepreneurship and business success.

Two parallel processes can be noted in the early and subsequent research on the theme. The first was the accumulation of evidence on the discrimination that women entrepreneurs face in the marketplace. However, more remarkable was the prejudice that they faced as subjects of scholarly inquiry, resulting in the building and perpetuation of a 'women's entrepreneurial underperformance' pseudo-thesis.

The very first publication on women's entrepreneurship reported them facing more difficulties than men in raising capital (Schwartz, 1976). It was also subsequently noted that



other things being equal, women business owners were unfairly asked to provide much larger collateral, undermining their success in gaining bank credit (Riding & Swift, 1990). Another study reported 4% to 6% lower survival rates for women's businesses concurrent with their low wages as well as limited managerial experience prior to the start-up (Boden Jr & Nucci, 2000). This implied that women who transited to entrepreneurship with significant initial disadvantage had only slightly poorer business survival rates. This should have been interpreted to mean that other things being equal, women business owners were better survivors. However, the authors interpret it the other way round and recommend "*...remedial education or mentoring of would-be female entrepreneurs...*" (p. 348). In another study that does not find any difference between women and men in successfully securing angel financing, the authors see their failure in seeking it in volumes significantly lower than in volumes that men seek it in (Becker-Blease & Sohl, 2007). It is not clear as to how, without investigating the details of respective investment plans, a conclusion is derived that men who run up a larger debt burden than women are necessarily better entrepreneurs. In fact, women's robust entrepreneurial performance was already being reported at that time. A survey of 832 women entrepreneurs found that they had "*...strategic intentions that emphasise market growth and technological change, a stronger commitment to the success of the business, greater willingness to sacrifice on behalf of the business, earlier planning for the growth of the business, utilisation of a team-based form of organisation design, concern for reputation and quality, adequate capitalisation, strong leadership, and utilisation of a wider range of financing sources for the expansion of the venture...*" (Gundry & Welsch, 2001: 454). It was also shown that there was no statistically significant difference in the risk-adjusted performance of men and women-owned SMEs (Watson & Robinson, 2003). At the same time, it was also reported that women-owned-business face discrimination while trying to sell their products to government agencies and large private businesses (Bates, 2002) and that the women themselves perceive them relatively more constrained by financial barriers than men in starting their business and this perception disproportionately affect their start-up decision (Roper & Scott, 2009).

In an analytical comparison fallacy, typical of research on the theme, it is claimed that women are relatively less successful entrepreneurs than men, measured by sales, profit and employment in their businesses and it is because they have *lower seed capital, lower human*

*capital and they work fewer hours* (Fairlie & Robb, 2009). Oxford English Dictionary defines productivity as the rate of output per unit of input. Scholarly literature similarly defines it as the relationship between output and input, between results and sacrifices (Aronoff & Kaplan, 1995). Equality of denominator is the fundamental norm of mathematically valid comparison of performance. It is, therefore, not correct to say that women entrepreneurs are less successful if they have lower sales and profit using low financial and human capital as well as work hours. In fact, in another survey, controlling for start-up capital and work hours, no statistically significant difference in performance was observed between men and women-owned businesses (Watson, 2002). Nonetheless, a study recommends women entrepreneurs to collaborate with men and claims that if women entrepreneurs confine to women's networks, the development of their ventures would be constrained (Hampton, Cooper & McGowan, 2009). In another example of denigrating women's choices, it is said that "...*home-based business ownership appears to provide a valuable opportunity for women to flexibly combine income generation and domestic responsibilities. However, this study provides evidence to the contrary in highlighting that it is those with limited alternatives and who are in the weakest position to start a new business that is most likely to pursue this option*" (Thompson, Jones-Evans & Kwong, 2009: 235). The authors go on to recommend that these women be provided with resources and training. The study, however, fails to explain why it is wrong for women to take advantage of an opportunity to combine income generation and domestic responsibilities through entrepreneurship.

On the other side, the evidence against the fallacy of 'underperformance' continues to pile up. Almost a decade after a similar study, a longitudinal study of 4000 new businesses in the USA finds that there are no statistically significant performance differences between men and women-owned businesses (Robb & Watson, 2012) whereas a study of a million businesses in Texas, USA shows that women-owned businesses out-survive men-owned businesses in several geographies and sectors (Kalnins & Williams, 2014). Another study concludes that both women and men are driven by economic considerations while choosing self-employment and the role of social variables in this decision has been exaggerated (Saridakis, Marlow & Storey, 2014). It was also reported that under the burden of a socially constructed artificial dichotomy between 'women hood' and 'entrepreneurship' some women entrepreneurs try to be or act masculine. However, there are those too who 'redo' gender

and “... *add value to their femininity within the business context*” rather than accept “*to be fixed or adapted to a male norm*” (García & Welter, 2013: 385).

The extant research also spotlights the similarities in women’s difficult entrepreneurial experiences within diverse national milieus and contrasting social settings. A six-country study of developed nations reports that women felt pushed into entrepreneurship and achieved success mainly through networking (Reavley & Lituchy, 2008). In Pakistan, women-owned enterprises can flourish only when women are allowed the freedom of movement, to create and engage with a social network and are not restrained by their family (Roomi, 2013) whereas in another similar though considerably more affluent society (UAE), women seek non-material goals and legitimisation, are driven by a marked dissatisfaction with the status given to them and need to negotiate difficult journeys against the patriarchy and socio-economic odds (Tlaiss, 2015). In the contrasting context of more liberal American and Swedish societies too, policies purportedly to support women’s entrepreneurship act to “*reproduce women’s secondary position in society rather than improve it... fail to accept...women’s entrepreneurship as... an accomplishment in itself... the imperative of economic growth before gender equality...the assumption of women as ‘different,’...and the exclusion of family and reproductive work as part of the entrepreneur’s life commitment*” (Ahl & Nelson, 2015: 274). The gendered attitudes in women’s entrepreneurship research are so powerful and influential that even in one of the works of exclusively women authors, the role played by women in the family is described as “*household burdens<sup>19</sup> associated with children*” (Patrick, Stephens & Weinstein 2016: 365)

A review of post-1980 research on gender and entrepreneurship reports a preponderance of large questionnaire-based surveys involved in men/women comparisons and a singular lack of information on industry sectors as well as sampling processes that lead to meaningless comparisons. The authors recommend the use of “... *in-depth qualitative methodologies...*<sup>20</sup>” (Henry, Foss & Ahl, 2016: 217). Another review of 30-year research on women’s entrepreneurship finds that despite the growing trend of offering policy implications and increasing diversity of research perspectives, the focus is still on “*identifying skills gaps in women entrepreneurs that need to be fixed*” while at the same time dishing out unhelpful,

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<sup>19</sup> Underlined by the thesis author

<sup>20</sup> These methodologies are used in this research.

vague and conservative prescriptions (Foss, Henry, Ahl & Mikalsen, 2019: 424). In contrast, a careful and sensitive study of the role of gender in value creation, reports that women emphasise social value creation over economic value creation and this behaviour intensifies as the countries progress further on their paths to post-materialism (Hechavarría *et al.*, 2017). It is also reported that women act as role models better than men as well as more actively encourage other women to become entrepreneurs (Rocha & Van Praag, 2020). A comparative study of women entrepreneurs with or without children finds that women concurrently acting as mothers and entrepreneurs generate higher income and employment through their enterprises (Joonas, 2018). Parallel to this, the evidence of their unequal treatment continues to surface. Within an entrepreneurship ecosystem where various players and agencies are expected to be mutually dependent and therefore be reinforcing one another, the research shows women being supported less than men (Brush, Edelman, Manolova & Welter, 2019). No wonder, they choose to set up businesses alone or with members of their family (Lim & Suh, 2019).

Within the business and management literature, there is an important and less discussed aspect of women's professional lives vis-à-vis that of men. A majority of women take long unavoidable breaks from their professional activities, which affect their careers. In the case of women entrepreneurs, these affect their businesses. Being the gender that conceives, gives birth to and nurtures the human offspring, they need to take a break from their other activities to undertake these tasks. Remarkably, the human baby needs the longest period of post-birth nurture than any other species (Trevathan & Rosenberg, 2016). In some species, the babies are independent within hours. Amongst the evolutionary scientists, it is well recognised that the extended dependence and subsequent proximity to the mother during the years of nurture are responsible for the superior cognitive capability of humans (Weisberger, 2016). This not only separates them from the other species but also makes them exceptionally more able. For the women who are primarily responsible for this role, the breaks that this entail, result in unfinished professional tasks which are then used to build the underperforming gender myth. The ultimate irony is that women are termed less able because they accomplish a complex task that they alone can perform, which not only ensures the continuation of homo sapiens but which is the principal reason for their exceptional intellectual abilities and their advantage over all other species on earth.

### 2.3.3. Women's entrepreneurship research: A summary

The research on women's entrepreneurship mirrors the prejudices that they face as entrepreneurs and as individuals in the larger society on a daily basis. Despite evidence to the contrary, a myth of women's entrepreneurial underperformance was built and continued until a strong backlash led by concerned scholars restored the balance. It would not be fair to the scholarly community to think that this myth-building was deliberate and conscious as women too are listed as authors in some of the works that contributed to the process. It was perhaps women's pervasive subservience in the society and a men-centric prejudiced perception of their existence in all walks of life that seem to presume that in a men-dominated profession such as entrepreneurship, women would 'naturally' underperform. The effort to rebalance the discourse has been recent and it is hoped that forthcoming research on the theme would "... *not reproduce women's subordination but capture more and richer aspects of women's entrepreneurship...*" Ahl (2006:595). The research in this thesis seeks to be a part of that trajectory. Table 2.6 summarises the findings of research on women's entrepreneurship.

*Table 2.6: Summary of findings on research on women's entrepreneurship*

Source	Key findings
Riding & Swift, 1990	Women business owners unfairly asked to provide much larger collateral, undermining their success in gaining bank credit
Moore, 1990; Stevenson, 1990	Use of men-centric measurements of performance
Brush, 1992	Poor theoretical underpinnings in research on women's entrepreneurship
Wanogho, 1997	Unfair treatment of black women entrepreneurs in the marketplace
Buttner & Moore, 1997	Seamless transition of 129 successful women corporate executives in the USA to entrepreneurship and business success.
Chell & Baines, 1998	Disregard for the contextual factors in research on women's entrepreneurship
Mirchandani, 1999; Ogbor, 2000; Reed, 1996	An absence of feminist perspectives in research on women's entrepreneurship
Boden Jr & Nucci, 2000:348	There is a need for "... <i>remedial education or mentoring of would-be female entrepreneurs...</i> "
Gundry & Welsch, 2001	Women deliver a robust entrepreneurial performance
Bates, 2002	Women-owned-business face discrimination while trying to sell their products to government agencies and large private businesses
Watson, 2002	No significant difference in performance between men and women-owned businesses
Gatewood, <i>et al.</i> , 2003	Lop-sided focus in research on women's entrepreneurship
Watson & Robinson, 2003	No statistically significant difference in the risk-adjusted performance of men and women-owned SMEs
Ahl, 2006	Discursive practices in research on women's entrepreneurship have hindered a balanced assessment of the phenomenon.

Source	Key findings
Becker-Blease & Sohl, 2007	No difference between women and men in successfully securing angel financing
Fairlie & Robb, 2009	Women are relatively less successful entrepreneurs than men measured by sales, profit and employment in their businesses because they have <i>lower seed capital, lower human capital and they work fewer hours.</i>
Roper & Scott, 2009	Women perceive them relatively more constrained by financial barriers than men in starting their business and this perception affects their start-up decision
Hampton, <i>et al.</i> , 2009	If women entrepreneurs confine to women's networks, the development of their ventures would be constrained
Robb & Watson, 2012	No statistically significant performance differences between men and women-owned businesses
Roomi, 2013	In Pakistan, women-owned enterprises can flourish only when women are allowed the freedom of movement, to create and engage with a social network and are not restrained by their family
García & Welter, 2013:385	Under the burden of a socially constructed artificial dichotomy, some women entrepreneurs try to be or act masculine. However, there are those too who 'redo' gender and "... <i>add value to their femininity within the business context</i> " rather than accept " <i>to be fixed or adapted to a male norm</i> "
Kalnins & Williams, 2014	Women-owned businesses out-survive male-owned businesses in several geographies and sectors
Saridakis <i>et al.</i> , 2014	Both women and men are driven by economic considerations while choosing self-employment and the role of social variables in this decision has been exaggerated
Tlaiss, 2015	In UAE, women seek non-material goals and legitimisation, are driven by a marked dissatisfaction with the status given to them and need to negotiate difficult journeys against the patriarchy and socio-economic odds
Ahl & Nelson, 2015:274	In the US and Sweden, policies to support women's entrepreneurship act to " <i>reproduce women's secondary position in society rather than improve it</i> "
Hechavarría <i>et al.</i> , 2017	Women emphasise social value creation over economic value creation and this behaviour intensifies as the countries progress further on their paths to post-materialism
Joona, 2018	Women concurrently acting as mothers and entrepreneurs generate higher income and employment through their enterprises
Foss, <i>et al.</i> 2019:424	The focus in research is still on " <i>identifying skills gaps in women entrepreneurs that need to be fixed</i> " while at the same time dishing out unhelpful prescriptions.
Brush, <i>et al.</i> , 2019	Women are supported less than men in entrepreneurial eco-systems
Lim & Suh, 2019	Women choose to set up businesses alone or with members of their family
Rocha & Van Praag, 2020	Women act as role models better than men as well as more actively encourage other women to become entrepreneurs

(Source: Author, 2021)

## 2.4. Social Entrepreneurship

### 2.4.1. Literature scoping process

While scoping literature for this part, the search item 'social entrepreneurship' yielded 5548 results. From these 1738 articles in peer-reviewed journals were separated, of which 76 published in ABS-3+ journals were filtered. From these, 14 were chosen based on their relevance for this research.

#### 2.4.2. The phenomenon of social entrepreneurship

Social entrepreneurship as a phenomenon and as a concept has fairly recent origins. Welsh entrepreneur Robert Owen is believed to have sown its seeds during the early industrialisation era (Shaw & Carter, 2007). It is claimed that the term first appeared in scholarly literature in 1964 (Rey-Martí, *et al.*, 2016). However, none of the two works published in 1964 with the keywords 'social' and 'entrepreneurship' deal with 'social entrepreneurship'. A 1977 article by Sandra Holmes seems to be the earliest publication that describes the phenomenon<sup>21</sup>, though it does not use the term 'social entrepreneurship'.

The roots of social entrepreneurship are in philanthropy which has existed in some form or other almost from the inception of human civilisations. It emerged in response to inequality and poverty, an integral feature of all ancient and modern societies. Philanthropy was the instinctive act, driven by compassion, of the well-meaning and well-off to ameliorate the hardships of the less fortunate. It was also one of the key tenets of good behaviour in all religions of the world (Moe, 1961). The ancient Indian philosophy classic, the *Bhagavad Gita* lists it as one of the basic attributes of being human (Chapple, 2009).

The wealth creation and its accumulation by the commercial enterprises make them natural sources of philanthropic acts. Acs & Phillips (2002) claim that the link between entrepreneurship and philanthropy is predominantly an American phenomenon. However, examples abound from around the world. For instance, Jamshedji Tata, who set up an endowment way back in 1892 and his successors' philanthropic work in India has been legendary<sup>22</sup> (Cantegreil, Chanana & Kattumuri, 2013).

The roots of the relatively more modern phenomenon of social entrepreneurship (Dacin, Dacin & Tracey, 2011) are in two overlapping behaviours by two sets of players. The rich who gave away, for a good cause, a part of their wealth often created through entrepreneurship and the less well-off social workers devoting their lives to improve the circumstances of the disadvantaged by raising donations. The entrepreneurs, focussed on making money, when give away a part of it in philanthropy, it sometimes does not make a difference as big as the largesse, essentially due to poor targeting. For instance, a good part of the money given away

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<sup>21</sup> The first journal article on women's entrepreneurship appeared a year earlier in 1976.

<sup>22</sup> Many women social entrepreneurs covered in this research, receive support from the Tata trust.

as donations go to religious organisations (Lwin, Phau & Lim, 2013) and makes a limited impact on resolving social problems. On the other hand, the lack of money often restricts the aspirations of social workers<sup>23</sup>. The social entrepreneurs merge and embrace these two roles and use innovative ideas to target social issues more effectively as well as to make money to be used for the purpose. The amalgamation of these contrasting roles is what makes defining social entrepreneurship difficult, as each of these two is hard to delineate (Certo & Miller, 2008). The key differences in business entrepreneurship and social entrepreneurship are highlighted in Table 2.7.

*Table 2.7: Business and social entrepreneurship: key differentiating factors*

Source	Criteria	Business entrepreneur	Social entrepreneur
Cantillon 1755; Holmes 1977	Origin of the concept	1755	1977
Pache & Santos, 2010	Driver	Money-making	Money-making and serving a social cause
Acs & Phillips 2002	Philanthropic orientation	Gives donations	Seeks and receives donations
Peredo & Chrisman, 2006	Beneficiaries	Shareholders	Community
Mair, 2010	Customer focus	Excludes the marginalised	Serves mainly the marginalised
Mair, 2010	Delivered quality	Depends on the customer's paying capacity	Independent of customer's paying capacity
González, <i>et al.</i> , 2017	Opportunity orientation	Opportunity discovery as well as the creation	Mostly opportunity discovery
Bornstein, 2007	Long-term impact	Increased personal and national wealth	Enhanced social welfare
Agafonow, 2014	Value orientation	Value capture	Value share
Chell, <i>et al.</i> , 2010	Sector's recent growth performance	Slow-down	Acceleration
Levie & Hart, 2011	More likely...	Ethnic origin	Ethnic minority
		Education	Relatively less educated
		Gender	Men
Rey-Martí, <i>et al.</i> 2016	Required human capital	Specific	General

(Source: Author, 2021)

At the end of the last century, the social enterprise sector was growing at a rate two and a half times than the rest of the economy (Salamon & Anheier, 1999). The phenomenal growth of the sector in the UK has also been reported more recently (Chell, Nicolopoulou & Karatas-Ozkan, 2010). It is due more to the way existing enterprises in the UK are redefined by the

<sup>23</sup> Donations as a part of incomes have been declining for a long time in many countries (Carroll, McCarthy & Newman, 2005)



government rather than an actual dramatic increase in their numbers (Teasdale, Lyon & Baldock, 2013). However, the fact remains that there are a large number of organisations in the UK and other countries active in this sector.

#### 2.4.3. Social entrepreneurship research

In one of the early conceptualisations of social entrepreneurship, Dee (2001) emphasises the primacy of social mission, innovation and pursuit of opportunity beyond the resources currently controlled. Social entrepreneurship's capacity to address social, environmental and cultural issues like pollution, poverty and discrimination has attracted scholarly interest (Wry & York, 2017) and over the years, there has been a consistent increase in publications as well as active researchers in this field (Gupta, Chauhan, Paul & Jaiswal, 2020). It has been pointed out that social entrepreneurship is a positive term for a sector that had been earlier identified in negative terms such as *non-profit* or *non-government* (Bornstein, 2007). Scholars have deployed a diversity of outlooks to identify social enterprises (Kannampuzha & Hockerts, 2019; Peredo & McLean, 2006; Short, Moss & Lumpkin, 2009). These include not-for-profits (Lasprogata & Cotton, 2003), for-profits managed by not-for-profits (Wallace, 1999) and the business enterprises pursuing social goals (Certo & Miller, 2008; Mair & Marti, 2006). It is now widely recognised that as many of the social problems affecting people have existed for a long time, in most cases, social entrepreneurs only need to adapt the existing solutions to the specific local needs. As a result, among social entrepreneurs, opportunity discovery is a more recurrent behaviour than opportunity creation (González, Husted & Aigner, 2017).

A demographic divide in this regard is noticed. For instance, in the UK, individuals from the ethnic minority are more likely to be business entrepreneurs than social entrepreneurs while the more educated and women were more likely to be social entrepreneurs than business entrepreneurs (Levie & Hart, 2011). It has also been highlighted that the efficacy of human capital differs between business entrepreneurship and social entrepreneurship. The former requires specific human capital and the later general (Rey-Martí, Ribeiro-Soriano & Sánchez-García, 2016) and that the culture does not fully explain the national differences in social entrepreneurship rates (Canestrino, Ćwiklicki, Magliocca & Pawełek, 2018).

Within the social entrepreneurship discourse, a difference is often made between value creation and value capture and it is observed that "...there is only *one form of organisation*

*that fulfils the criteria of maximising on value creation while satisfying on value capture and that is the social enterprise...*" (Agafonow, 2014: 709). A personality trait of social entrepreneurs is empathy (Bacq & Alt, 2018) and utilising their independence from the compulsion of making a profit, they often explore and realise the emancipatory role of entrepreneurship "*...to construct new meaning in life...building a new future... for themselves and also for those they serve...*" (Chandra, 2017:657-8). However, unlike a business enterprise which is driven by a single money-making logic, the social enterprise is pulled by two contrasting logics of money-making and serving a social cause (Pache & Santos, 2010). As a result, they emerge as more complex organisations enacting and managing this tension and conflict (Cherrier, Goswami & Ray, 2018). It is the empowerment of key stakeholders, a crucial element of social enterprises (Datta & Gailey, 2012) that allows them to manage this tension well. However, a more recent study of social entrepreneurship in nine countries reports that such conflict in social enterprises is exaggerated (Mair, 2020).

The success of social entrepreneurs is found to be linked with their social networks, commitment, ability to form partnerships, managerial experience, the public and market acceptance of the venture idea, magnitude of seed capital and the composition of the venture team (Sharir & Lerner, 2006). There is an agreement amongst the scholars that social entrepreneurs have a hierarchy in social and economic goals and for them, the economic cause is subservient to the social cause. However, it is also pointed out that such pecking order is not only unhelpful, but it is also counterproductive for the very idea of social entrepreneurship as without generating resources, no social goal can be achieved and a willingness not to pursue a profit opportunity automatically means inability to serve the social cause (Dacin *et al.*, 2011). The fallacy of the presumption that social entrepreneurship by its very nature is ethical is also highlighted. In fact, the tension at the core of social entrepreneurship i.e. the constant conflict between the profit and the social service goals presents an ethical quandary to entrepreneurs on a daily basis (Zahra, Gedajlovic, Newbaum & Shulman, 2009).

A recent review of research on social entrepreneurship point outs its interdisciplinary nature which, the authors argue, has led to a fractured development of literature and the absence of a dominant framework. This has resulted in gaps at individual, organisational as well as institutional levels of analysis (Saebi, Foss & Linder, 2019). Another review highlights the

paucity of research on this theme in developing countries (Gupta, *et al.*, 2020). A multi-country study of the link between culture and social entrepreneurship finds that in-group collectivism, gender egalitarianism and future orientation are positively related to social entrepreneurship whereas uncertainty avoidance is negatively related to it (Canestrino, Ćwiklicki, Magliocca & Pawełek, 2020). Another multi-country study shows how formal institutions shape the nature of relationships between individual capital and social entrepreneurship (Sahasranamam & Nandakumar, 2020). Recently it has also been pointed out that after the onset of the current pandemic many business enterprises changed their focus away from profit-making and adopted a pro-social stance. They repurposed their manufacturing to produce things that were urgently needed during the pandemic. This has blurred, albeit temporarily, the dichotomy between business and social entrepreneurship. The advantage that social enterprises have due to their local focus also placed them in a better position to redress the effect of the pandemic on their beneficiaries. At the same time, the ability of social entrepreneurs to leverage the market mechanisms to achieve social goals has been affected during the pandemic (Bacq & Lumpkin, 2021).

#### 2.4.4.A summary of research on social entrepreneurship

The scholarly scrutiny of social enterprises highlighted, at the outset, the primacy of social mission in their work and their unique capacity to address social, environmental and cultural issues. It was pointed out that social entrepreneurship is a positive term for a sector that had been earlier identified in negative terms. However, from the beginning, there has been a significant diversity of outlooks in the academic narrative of social entrepreneurship. It is recognised that amongst the social entrepreneurs, opportunity discovery is a more recurrent behaviour than opportunity creation and that women and educated individuals are more likely to take to social rather than business entrepreneurship. Success in this field requires, general human capital rather than specific human capital and the social entrepreneurs play an emancipatory role with a focus on value creation than value capture. Literature also spotlights the contrasting logics of money-making and serving a social cause that drive the actions of social entrepreneurs and the tension and conflict between the two that they need to manage. Though recent research shows that such conflict in social enterprises is exaggerated. The success of social entrepreneurs is found to be linked with their networking, commitment to the cause, ability to form partnerships, managerial experience, the

acceptance of their venture idea, the magnitude of seed capital and the composition of their teams. At the same time, the continued paucity of research on this theme in developing countries has been pointed out. Recently it is also highlighted that due to its interdisciplinary nature, the literature on social entrepreneurship has had a fractured development and it continues to lack an overarching framework. It has also been reported that due to their local focus social enterprises around the world are able to redress the impact of the pandemic on their beneficiaries more effectively.

## 2.5. Women's social entrepreneurship

### 2.5.1. Literature scoping process

The search on this theme returned 29 articles. Given the small size of the result, no quality criteria were applied, still, only 10 relevant articles on women's social entrepreneurship were found.

### 2.5.2. Literature review

Women are more likely to start a social enterprise than a business enterprise (Hechavarría & Ingram, 2016). As a result, a key aspect of social entrepreneurship is a significantly smaller gender gap (Huysentruyt, 2014). The surveys by both GEM in 2009 and 2015 as well as by SELUSI<sup>24</sup> in 2010, confirm this in several countries. The SEC<sup>25</sup> survey reports that a good 41% of members on the social enterprise boards in the UK are women (Humbert, 2011). Grimes, Gehman and Cao, (2018: 133) argue that the narrower gender gap in this profession is because it provides *"a means for those women owners to engage in identity work, authenticating values which are deemed central and distinctive."* At the same time, in the UK, the gender *pay* gap amongst social entrepreneurs was remarkably high at 29% (Ute & Vujic, 2014). This cannot be attributed to organisational discrimination as social entrepreneurs set their own pay. The more likely reason could be a deep sense of altruism that drives women's social entrepreneurial intentions (Urbano, Jiménez & Noguera, 2014) and makes women take less money from their enterprises as a deliberate act. Given that the gender gap in *job satisfaction* in social enterprises is the other way round and women social entrepreneurs are more satisfied by their work than men (Ute & Vujic, 2014) means that women embrace the

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<sup>24</sup> Social Entrepreneurs as Lead Users for Service Innovation

<sup>25</sup> Social Enterprise Coalition, 2009

spirit of 'social service' manifested in social enterprises more than men. That the only personality trait that differentiates women social entrepreneurs from men social entrepreneurs is agreeableness<sup>26</sup> (Bernardino, Santos & Ribeiro, 2018) also supports this conclusion. This may be the reason why they are able to successfully amalgamate social transformation and economic efficiency in their business strategies while serving the beneficiaries (Kimbu & Ngoasong, 2016). A slightly different argument made to explain women's preference for social rather than business entrepreneurship is that it happens due to the gender stereotypes (Greene, Han & Marlow, 2013) or the social dominance orientation (Sidanius & Pratto, 1999) which suppress business entrepreneurship intentions and enhance social entrepreneurship intentions in women (Muldoon, Lucy & Lidzy, 2019).

A study on the selection of social enterprises for support by an accelerator reveals an interesting difference in the kind of response the women's social enterprises receive vis-à-vis those that are led by men (Yang, Kher & Newbert, 2020). Presuming that masculinity is indicated by the economic signals while femininity by the social signals, it is found that gender-congruent candidates, i.e. women behaving like stereotype women and men behaving like stereotype men, have a high probability of receiving accelerator support. However, gender-incongruent men, who send social signals, improve their chances of support, while gender-incongruent women, who send economic signals, diminish their chances. This means that the men social entrepreneurs exhibiting feminist attributes are rewarded and women social entrepreneurs exhibiting non-feminist behaviour are penalised and this happens at a social enterprise accelerator that has the promotion of women's social entrepreneurship, one of its declared core values (Yang, *et al.*, 2020). There perhaps cannot be a more glaring testimony of the prejudice that women face as individuals and as entrepreneurs than this, confirming that the women's entrepreneurial endeavours are constrained by the cultural and social contexts within which they operate (Calas, Smircich & Bourne, 2009).

Another important insight that emerges from recent research on women's social entrepreneurship is that at the individual level, the social networks play a key role in their idea-fruiting process (Halberstadt & Spiegel, 2018) and the phenomenon is influenced by

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<sup>26</sup> The agreeable people are friendly, warm, optimistic, have concern for others and reflect altruism, compassion, empathy and love (Tackett, Hernández & Eisenberg, 2019)

good governance as well as levels of women's migration (Orr, Kickul, Gundry & Griffiths, 2018). It is also found that women's social entrepreneurship has significant potential in tackling problems faced by women and in facilitating women's empowerment (Ortbal, Frazzette & Mehta, 2016). A comparative study from an effectuation lens finds that the women social entrepreneurs use inclusive strategies and pragmatically move between effectual and causal approaches to achieve socio-economic goals (Rosca, *et al.* 2020)

### 2.5.3. Summary of research on women's social entrepreneurship

More women take to social entrepreneurship than business entrepreneurship, they by choice, take less pay from their enterprises than men and still feel more satisfied is the headline story of extant research on the phenomenon. This clearly spotlights women's focus and commitment to the 'social' in social entrepreneurship and they emerge truer champions of its spirit. It also highlights that an altruistic attitude and an agreeable personality bring and sustain them in this field. This is, however, also alternatively interpreted by some scholars to infer this as their capitulation to be social stereotyping. The question, therefore, is this: Do women prefer social entrepreneurship and happily make sacrifices for it because of who they are and what they stand for or because what they are made to do? As social entrepreneurship is a wholly voluntary vocation, *prima-facie*, the former appears to be more plausible.

## 2.6. Social entrepreneurship in India

### 2.6.1. Literature scoping process

The search on 'social entrepreneurship' AND 'India' returned 223 articles. From these, 11 articles published in ABS3+-listed journals plus those in the Journal of Entrepreneurship, which is published from India, were filtered. After their pursual, seven articles were chosen based on their relevance for this research.

### 2.6.2. Literature review

Research on social enterprises in India is limited and very little of it has appeared in highly regarded journals. This is not different from the state of business and management research on India in general (Khatri, Ojha, Budhwar, Srinivasan & Varma, 2012). Despite a long tradition of philanthropy (Cantegreil, *et al.*, 2013) and the proliferation of social enterprises in more recent times in India (British Council, 2016), the scholarly interest in the phenomenon has

been limited. The available literature highlights both the challenges to and achievements of social entrepreneurship in India.

It is reported that due to a significant, locational, cultural and social diversity of social enterprise beneficiaries in India, the delivery of a targeted service to them is difficult (Goyal, *et al.*, 2016). Amongst the other challenges spotlighted in this sector are attracting and retaining talent, scaling up, raising capital and building capacity (Gabriel, Engasser & Bound, 2016). At the same time, the difficulties of managing the tension between economic compulsions and social mission are underlined (Vohra, 2017). Though funding to Indian social enterprises continues to flow from the Indian and international sources, the impact does not always materialise and some initiatives fail due to a lack of passion, an emotional obligation to the cause and foresightedness (Ramani, SadreGhazi & Gupta, 2017). It is also noted that the geographical distribution of active social enterprises in India is not even and often it does not match the development needs of the areas served (Jammulamadaka & Chakraborty, 2018).

An important experiment on microfinance-linked social entrepreneurship in India (Field, Pande, Papp & Rigol, 2013) leads to an important conclusion. It is found that a typical microfinance contract mandates commencement of repayment immediately after the disbursement. This forces the loanees to forgo more rewarding and risky opportunities to meet the requirement of the immediate start of the repayment. This confines them to less lucrative options which eventually makes little material difference in their lives.

On the plus side, as Schwab's quote (page 71) indicates, innovation is a key strategic tool deployed by social entrepreneurs in India. Rural social enterprises empower the service users and employ innovative approaches to usher in substantial and enduring social change (Haugh & Talwar, 2016). There is also a systematicity in the process through which the Indian social enterprises develop original ideas and scale up to produce significant social innovation (Bhatt & Altinay, 2013). The country has also witnessed the emergence of a new set of innovative investors who are supporting promising social entrepreneurs in meeting the country's myriad development needs (Haski-Leventhal & Mehra, 2016). Financial innovation in this sector includes the adaption of the traditional venture capital approach to suit the needs of rural enterprises. It entails dealing with them as equals, leveraging both the social and human

capital and adapting the service delivery to the regional cultural context (Bhatt & Ahmad, 2017). There have also been instances of the use of bricolage where the urban founders collaborate with the rural social entrepreneurs to deliver significant social value (Hota, Mitra & Qureshi, 2019). An examination of the role of social entrepreneurship in India in innovation and economic development finds that demand generation along with institution and capacity building play a role in the process (Surie, 2017). Another study shows how a resilient self-help group in South India delivers targeted service despite serious difficulties (Thomas & Jose, 2020). In a recent study of two technology-led social enterprises, it is concluded that they can scale up their impact if they first develop a critical specification of relevant social innovation, affordability and market penetration and then make adjustments through a dynamic prioritisation of their own constraints against their customers' constraints through a focus on resource mobilisation strategies and operating routines (Chaudhuri, Prætorius, Narayanamurthy, Hasle & Pereira, 2021).

### 2.6.3. Summary of research on social entrepreneurship in India

The limited research on social entrepreneurship in India highlights human and physical resource constraints, diversity of service users and recurring tension between economic and social needs. It is also found that Indian social entrepreneurs employ innovative approaches and demonstrate resilience and receive support from the local and foreign investors in their efforts. No attempt so far has been made to examine in any detail women's social entrepreneurship in India and if lean-effectual behaviours play any role in its success.

## 2.7. Value and its creation

### 2.7.1. Literature scoping process

The literature for this review too was collated through the online search engine of Cardiff University library. The search with the subject term 'value' as well as with 'value creation' returned a very high number of results. To narrow the focus 'social entrepreneurship' was added as the additional subject term to find works that discuss value creation within the context of this research. It yielded 72 journal articles. Of these 10 articles were from ABS3+ listed journals. Many further relevant works were identified from the bibliographic listing of these articles. The following review includes 38 relevant works.



### 2.7.2. The idea of value

The notion of value is at the core of the choices that we make as humans. It distinguishes the homo sapiens from other species whose acts and behaviours are driven by instinct rather than consciousness. However, what constitutes value and how we measure it are very subjective due to its highly personalised assessment both in everyday practice as well as in scholarly discourse (Haase, 2015; Lepak, Smith & Taylor, 2007). Apart from being subjective, value is also contingent because “...we value different things, and value things differently at different points in time...” (Jones & Spicer, 2005:181). Value is “neither a fixed attribute, an inherent quality, or an objective property of things, but an effect of multiple, continuously changing, and continuously interacting variables” (Smith, 1988: 30).

Within the entrepreneurship discourse, the notion of value has a chequered history. When entrepreneurship emerged from the shadows of economics as an independent field of study (Hébert & Link, 2009) it inherited market-driven yardsticks of exchange for quantification of value and their primacy over judgements on what really matters to us, aka, the social value (Korsgaard & Anderson, 2011). Entrepreneurship thus remained oblivious to the more benevolent traditions in other fields such as ethics that emphasise the capacity to provide a benefit as the true value of human effort (Haksever, Chaganti & Cook, 2004). Now, as entrepreneurship asserts itself as an independent social science (Shane & Venkatraman, 2000), it must also contemplate the full diversity of perspectives within business and organisation literature when it comes to conceptualising or quantifying value (Lepak, *et al.*, 2007).

### 2.7.3.A genealogy of value

The ongoing debate on value has its origins in the Fourth century BC's contrasting Greek thoughts involving Plato's theory of Ideas (Xenakis, 1957) and Epicurus' concept of Hedonism (O'Keefe, 2005). Plato perceived values as absolute realities, independent of the physical world and unconstrained by the limits of human perception and paved the way for the emergence of realism and idealism as well as empiricism and epistemology. In contrast, Hedonists realised value through the pursuit of pleasure and set the grounds for the emergence of ethics, egoism (in psychology), utilitarianism (in economics) and jurisprudence (in law) (Ueda, Takenaka, Vancza & Monostori, 2009). Plato was also the first to highlight the difference between exchange value and value-in-use. Aristotle extended the idea and argued

for the primacy of value-in-use over the exchange value, claiming that the former was inherent and enduring whereas the latter was transitory, subject to change and at the vagaries of the forces of the market (Sewall, 1901).

Renaissance (Fourteenth to Sixteenth Centuries) idealised nature as the ultimate value, the primary unit of analysis and scientific scrutiny. It rejected the idea of nature both as the manifestation of the divine and subject to human interpretations and perceived it to be driven by its own principles (Ueda *et al.*, 2009). Seventeenth-century witnessed the resurrection of the subjective idea of 'good' (versus bad) and identified value in order, peace, safety and protection, sought a deeper understanding of the connection of social causes with their consequences and advocated 'a social contract' in which personal human ambition yielded to the larger collective good (Watkins, 1965).

During the same period, Descartes postulated Cartesian dualism and articulated the idea of objective value through the separations between the mind and the body, the whole and the parts and the subject and the object. The Eighteenth-century saw the emergence of epistemology i.e., the theory of knowledge dealing with justification, belief and truth (Curley, 1984). Kant integrated contemporary rationalist thought by fusing the ideas of Descartes with those of Bacon, Locke and Hume. His ideas were further refined by Rickert who questioned individual value judgments (Lyne, 2000).

Late nineteenth-century philosophical discourse on objective versus the subjective value debate leaned towards its subjective articulation with Nietzsche insisting that value cannot be objective (Reginster, 2003) and Wittgenstein dismissing value as purely a linguistic issue (Jacquette, 1997). Despite a clear subjective philosophical perception of value, psychology too, the then-emerging science of the mind, struggled to have a shared perception of value in the same way as philosophy had grappled with this until then.

The twentieth century saw the birth of behaviourism which examined values from a learning perspective. One of its core ideas was the 'discounting of values' linked with the notion of deferred gratification (Myerson, 1995). In the mid-twentieth century, Maslow postulated the 'hierarchy of human needs' presenting values from the perspective of human needs. He posited a positive influence of self-actualisation and deliberated profusely on contentious issues, avoided by his peers, such as morals, creativity and value (Maslow, 1943).

In the later twentieth century, cognitivism began to dominate psychology. However, as values cannot be visualised from an information-processing perspective, from this point on psychology ceased to pursue value rigorously within its overarching cognitive worldview. With the cognitive perspective holding sway in most other modern social sciences including economics and entrepreneurship, the question of value ceased to be relevant and interesting within the social discourse. This explains a lack of value studies during modern times, a void, this research attempts to address.

Parallel to psychology and philosophy, economics had its own history of the evolution of the concept of value. In contrast to the mercantilists who saw value in gold and silver, physiocrats, in line with the Renaissance thinkers visualised nature as the originator of all value. They posited value as the net product of human effort and claimed that only agriculture created a net product (Meek, 2013). Subsequently, Smith (1776) under the Physiocratic influence and, in line with Plato, revisited the notions of value-in-use and value-in-exchange. The first is determined by an ability to satisfy human needs and the second by the relative portions in which it gets exchanged with other products. He proposed the unit of labour needed to produce a product as a measure of its exchange value. Highlighting the contrast between the two, he subsequently showed that things with great value-in-use often have little value-in-exchange and vice-versa.

In early human evolution, when barter was the basis of economic interactions, there was not much of a difference between value-in-use and value-in-exchange. However, the advent of money and economic growth together created a chasm between the two which seems to have been widening with time. Ricardo (1821) refined Smith's labour theory of value and Marx rearticulated it with the notion of surplus-value and the exploitation of labour by the capitalist class (Marx, 1999). This had profound political and historic implications. This economic perception of value was grounded in the idea of absolute value. Neoclassical economists subsequently abandoned the notion of the absolute economic value of objects and successfully explained the cause of contrasting valuation of value-in-use and value-in-exchange, through their marginal utility theory (Kauder, 2015). They explained that it is not the total utility that matters when an individual perceives the value of a product but its marginal utility, i.e. subjective satisfaction derived by consuming an extra unit of the product. Products in abundance have, therefore, low marginal utility and low consequent value. In

contrast, scarcity makes things appear to be more valuable. Notably, this perception of value was based on the cardinal or the measurable perception of utility and was vigorously contested. Pareto, however, settled the debate by demonstrating that even with the assumption that utility is ordinal, (not measurable but comparable) because people can always tell between two products which they value more, the theory of marginal utility can still be proved (Pareto, 1909). This liberated economists from their hitherto questionable assumption that the utility (or intrinsic value) of things can be objectively measured (Weber, 2001). The philosophical roots of the ideas on value and their evolution are shown in Figure 2.6.

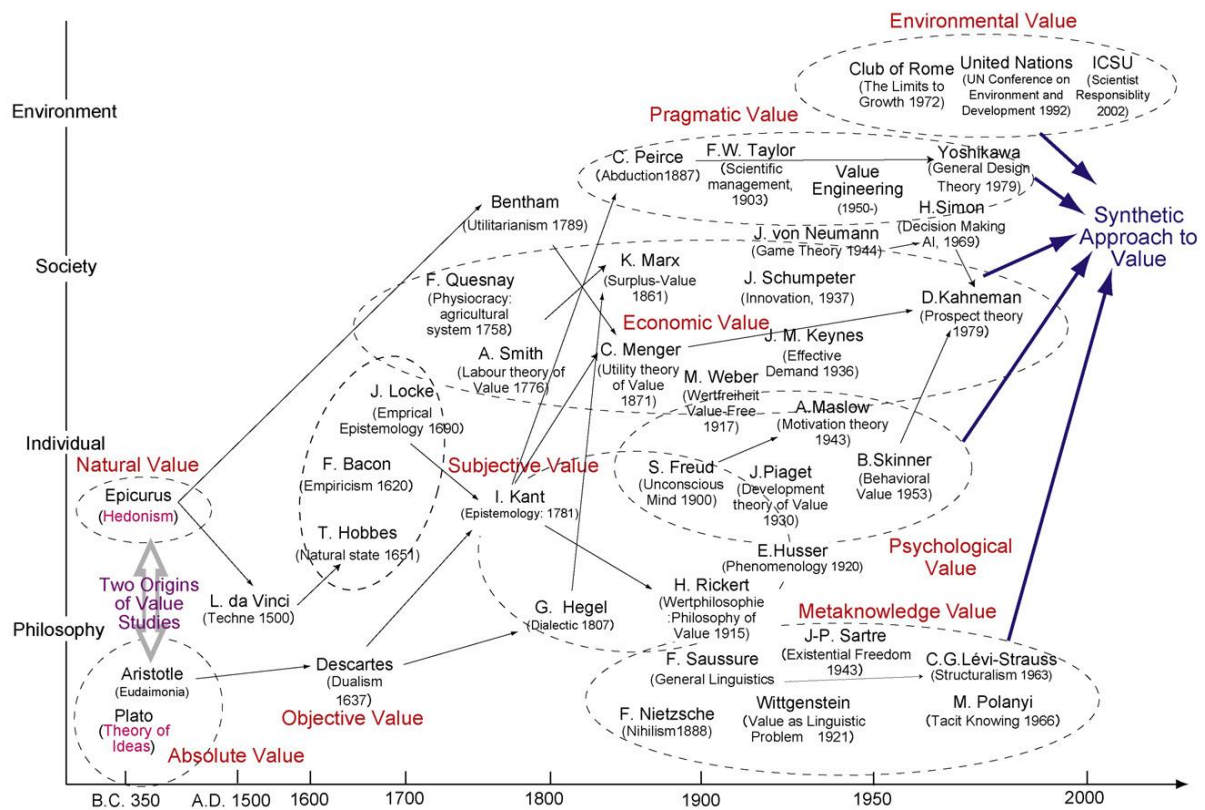
Economists' ideas on utility and value were based on their long-standing assumption of human rationality. This was challenged by Herbert Simon<sup>27</sup> (1982) through his conceptualisation of bounded rationality. He argued that humans do not act completely rationally and it plays a crucial role in shaping their value judgments. The bounds to human rationality are imposed by our thinking capacity, limited access to information and time available to process it. In contrast to the utility maximisation ideal of economists, he proposed "*satisficing*" as a more realist articulation of human behaviour and argued that humans settled for adequacy rather than optimality (Simon, 1982). As the concept of utility in economics denotes the intrinsic value of things, bounded rationality effectively means that humans do not and cannot aspire to maximise value from what they have or what they do.

Within engineering, the value was perceived to be created through better functionality and/or lower costs of humanly created artefacts. The idea had its roots in scientific management (Taylor, 1911) which laid the foundations of the emphasis in manufacturing on cost reduction and functionality enhancements. In its modern conceptualisation, value engineering measures, value creation as an increase in the function-cost ratio. One of the popular approaches to value engineering has been to experiment with cheaper materials to achieve the same or enhanced functionality. From this perspective, customer satisfaction is one of the key measures of value. Functionality is what the customer gets and the cost reflects what is spent in providing it. The highest functionality at the least cost is, therefore, the value engineering's ideal (Ibusuki & Kaminski, 2007).

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<sup>27</sup> The notion of effectuation which is one of the pivots of this research was conceived by Sarasvathy under the tutelage of Simon, who was her doctoral supervisor.

Figure 2.6: The Genealogy of value



(Source: Ueda, et al., 2009)

This research connects operations management and entrepreneurship. Within operations management, it deals with the idea of lean, linked with manufacturing management. As discussed earlier, the original conceptualisation of lean by Taiichi Ohno (1988) was in terms of actions that contribute to the features of the product or service for which the customer is willing to pay. He, therefore, advises not to do anything that does not create something for which the customer would not pay. Value from this perspective is in the customer desired functionality of the product. This idea is not too different from that in value engineering.

#### 2.7.4. Measurement of value creation

It has been argued that the true magnitude of value creation can only be measured from the subjective positions of its targets and sources which could be individuals, organisations or the whole society (Bowman & Ambrosini, 2000). However, "... existence of this plurality in both the targets and sources of value creation introduces a host of challenges to scholars, including the development of a common definition for the term..." (Lepak et al., 2007: 181). This is further compounded by the fact that in the value creation process, the value creator's knowledge, as well as their cognitive and emotional skills (Locke & Fitzpatrick, 1995), play a

key role and that it is optimised by intrinsic motivation rather than external coercion (Amabile, 1996).

#### 2.7.5.Value in entrepreneurship

Even though entrepreneurship is 'socially enacted', owing to the roots of its thought processes in economics, it has traditionally assigned growing profits precedence over "*realized self-actualization, a sense of achievement and a sense of being*" (Korsgaard & Anderson, 2011:136). Driven by such 'growth ideology' (Stanworth & Curran, 1976), 'unstated growth assumptions' (Gartner, 2001) and a focus on 'wealth creation' (Welter, Baker, Audretsch & Gartner, 2017), the entrepreneurship discourse continues to undervalue the spiritual dimensions of what it means to be a human (Schumacher, 1973) oblivious to the fact that creation and extraction of social value are at the heart of entrepreneurship (Anderson, 1998). Having said that, the intertwined nature of economic and social value should not be overlooked as the profit motive neither excludes nor negates social motives and often the ability of entrepreneurs to share social value hinges on their ability to create economic value (Acs, Boardman & McNeely, 2013).

#### 2.7.6.Gender dimensions of value

A key aspect of plurality in the conceptualisation of value has its gendered dimensions. Men and women perceive value differently. Men perceive value from a *justice* outlook seeking "*autonomy, objectivity, positivistic rationality, reductionism, and universality*" (Hechavarría, et al., 2017:228). In contrast, women's value judgements are underpinned by *care* and they treasure "*empathy, sympathy, compassion, loyalty, discernment, love, benevolence, community, and promotion of a civil society*" (Hechavarría, et al., 2017:228). However, these two divergent perspectives to value are *gender pronounced* rather than *gender-specific* and it is not that men value justice to the exclusion of care or that women's care concerns impede justice. It is just that most women prioritise care over justice (Baier, 1985). This has vital consequences to how woman perceive their roles as entrepreneurs and there is growing evidence that for value-creating women, value sharing has primacy over value capture (Hlady, Rispal & Servantie, 2016; Cherrier, Goswami & Ray, 2018). There is a further crucial dimension of value creation through entrepreneurship, which is its emancipatory role. "*...the act of setting free ...*" (Rindova, Barry & Ketchen, 2009: 478) "*...to construct new meaning in life and new social roles and connections that provide a platform for building a new future...*"

(Chandra, 2017: 657). Value is *“neither a fixed attribute, an inherent quality, or an objective property of things, but an effect of multiple, continuously changing, and continuously interacting variables”* (Smith 1988: 30).

#### 2.7.7.Social value creation

Social value creation is *“a process that results in the creation of something of value for society”* (Dietz & Porter, 2012:23). In its broadest sense, it entails many externalities such as economic and reputational enhancement, consumer surplus and capability enrichment delivered through purely ethical means (Auerswald, 2009). However, there have not been many attempts to conceptualise social value creation (Sinkovics, Sinkovics, Hoque & Czaban 2015). One way to do it is to use life satisfaction ratings and to measure it as *“positive change, initiated by a social intervention in the subjective well-being of disadvantaged individuals”* (Kroeger & Weber, 2014:519). However, Sinkovics *et al.* (2015) argue that this approach does not distinguish between life satisfaction enhancements by band-aid treatments and root-cause elimination. They propose *social constraint alleviation* as a better construct to address the definitional as well as measurement issues in social value. Based on *sustenance, self-esteem* and *freedom from servitude* yardsticks which they define respectively as One, the ability to meet basic needs related to food, shelter, health and protection; Two, a sense of worth and self-respect and; Three, the ability to live a life in dignity<sup>28</sup>. Any act that leads to improved sustenance, self-esteem and freedom from servitude is an act of social value creation, they argue.

Another way to look at it is to visualise social value creation as the enactment of a *“novel solution to a social problem that is more effective, efficient, sustainable, or just than existing solutions and for which the value created accrues primarily to society as a whole rather than to private individuals”* (Phills, Deigmeier & Miller, 2008:39).

#### 2.7.8.Social value creation by social entrepreneurs and its measurement

Singh (2016) argues that social entrepreneurs create social value by bringing about social change, both in the short term and the long term by addressing social problems and needs. This is done through awareness creation, empowering the marginalised, and inculcating behavioural, attitudinal and perceptual modifications to generate socio-economic benefits at

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<sup>28</sup> For this, ‘independence in making life choices’ may be a better descriptor

the individual and societal levels. She argues that social entrepreneurial value creation targets are not only the poor and disadvantaged people, but also extends to the very top of the economic hierarchy. It ushers in positive changes in the lives of all those whom it touches. Kroeger & Weber (2014) demonstrate that using appropriate quantitative indices, it is possible to measure and compare the social value created by various public and private initiatives (Appendix 1).

#### 2.7.9. Shared value

Recently, Porter and Kramer (2019:6) introduce the notion of shared value as “... *policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates.*” They argue that if businesses embrace a shared value mindset, they will not only enhance their value for the society, but they will also themselves become more successful. They, in a way, propose a merger of economic goals of corporate business with larger social good, something that social enterprises have been doing for quite some time.

#### 2.7.10. A summary of discourse on value creation

What is value, how it can be measured and how it is created are the questions that have captivated scholars and thinkers for many millennia. At the core of this thinking is an attempt to capture a shared notion of our basic concerns. However, like all human issues of import, the idea of value had diverse outlooks from the beginning and this continues to be so today. In the evolution of the understanding of the meaning of value, it was conceded quite early on that value is subjective and what matters greatly to some may matter little to others. It has also been understood for a long time that though the market price may sometimes give exaggerated value to an artefact due to its relative scarcity, what really matters is its intrinsic ability to satisfy human needs. The history of this discourse also shows how the pendulum of consensus continues to swing both ways. From the early hedonistic idea of value for personal consumption to a more altruistic notion of social development now occupies the central space. From a rational *homo-economicus* in pursuit of personal economic value to a socially aware individual whose rationality is bounded both by the limits to access information and information processing abilities as well as by the overpowering logic of non-separation of personal good from the collective good. The true value is seen today again in order, peace



and prosperity but not by suppressing personal ambition but by forgoing petty personal gains for the larger common good. The Sapiens have come a long way from the mercantilist worship of gold to the physiocratic reverence for the mother earth, from the exploitation of the planet’s resources to the hilt to conservation and sustainability and from the dominance of monolithic profit-seeking corporations to the emergence and spread of benevolent social enterprise.

## 2.8. Lean effectual framework

A lean-effectual framework is created to find answers to the above research questions. For this, first, the behaviours associated with the effectuation and lean start-up principles are identified and articulated. This process for the lean start-up was informed by Ries’ book (Ries, 2011). For effectuation principles, Sarasvathy’s co-authored textbook (Read, *et al.*, 2016) was used, as it provided a more common-sense narrative of her ideas. To depict the framework, these principles were positioned in a chronological space based on at what stage their use was envisaged by Sarasvathy and Ries. Table 2.8 depicts the outcome of this effort.

*Table 2.8: Lean-effectual construct: Principles, behaviours and chronology*

Principle / construct	Behaviour	Place in start-up chronology
<i>The Bird in Hand Principle (E)</i>	Start with what you have	From pre-start-up to start-up
<i>The Affordable Loss Principle (E)</i>	Risk little, fail cheap	At pre-start-up
<i>The Crazy Quilt Principle (E)</i>	Form partnerships	From pre-start-up to growth
<i>The Lemonade Principle (E)</i>	Convert surprises into opportunities	From pre-start-up to growth
<i>The Pilot-in-the-plane (E)</i>	Use non-predictive control	From pre-start-up to growth
<i>Entrepreneurs are everywhere (L)</i>	Lean approach at all stages, in all businesses	From pre-start-up to growth
<i>Entrepreneurship is management (L)</i>	Effective management of uncertainty	From pre-start-up to growth
<i>Build - Measure – Learn (L)</i>	Build a minimum viable product	At start-up
<i>Validated learning (L)</i>	Customer feedback used to test hypotheses	Post-enterprise formation
<i>Innovation accounting (L)</i>	Customer feedback led product improvements	Post-formation / pre -growth
	Persist / Perish / Pivot	Post-formation / pre -growth

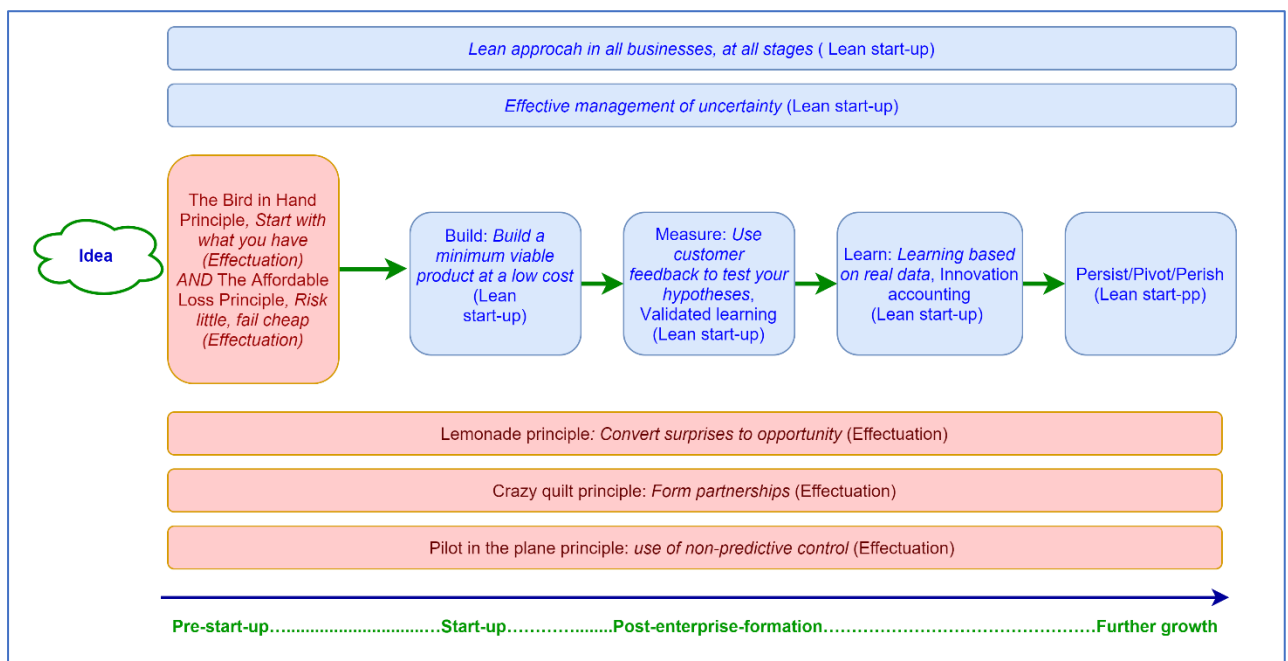
E= effectuation: L= lean start-up

(Source: Author, 2021)

The resultant lean-effectual framework informed by the above effort is presented here in Figure 2.7. It shows the ten underlying principles as well as the behaviours associated with these principles. The principle of *innovation accounting* has two related behaviours.

The framework is chronologically portrayed progressing from left to right, starting from the pre-start-up (or idea) phase and proceeding to start-up, then to post-enterprise formation, culminating in the growth phase of the enterprise. It shows two lean start-up principles at the top and three effectuation principles at the bottom, straddling the entire span from pre-start-up to enterprise growth. They apply to all stages and are, therefore, shown across Figure 2.7. In contrast, two transitory effectuation principles *bird in hand* and *affordable loss* apply only to the early stage. Four further lean start-up principles become operational from the post-enterprise to the growth phase. Among these, *build-measure-learn* comes first followed by *validated learning*, *innovation accounting* and *Persist/Pivot/Perish*.

Figure 2.7: Lean-effectual framework



(Source: Author, 2021)

## 2.9. Literature review summary, research gaps and research questions

The reviews of the literature on effectuation and lean start-up highlight their significant potential in improving the start-up prospects for nascent entrepreneurs. They also show considerable complementarity between the two. Despite this, no attempt is visible in extant research to combine these two conceptually or empirically. This research addresses this gap. Another key theme that emerges from the review of literature on women's entrepreneurship is entrepreneurial underperformance pseudo-thesis as well as calls for studies that highlight women's contributions to this field. This research makes one such attempt.

The review of literature on social entrepreneurship underscores its role in effectively addressing a myriad of issues that disadvantaged people face around the world. The review of literature on women's social entrepreneurship reveals that more women take to social entrepreneurship than business entrepreneurship and that they make remarkable contributions to this field. Whereas the literature on social entrepreneurship in India shows its crucial role in ameliorating human misery in the most deprived society in the world. The review also reveals the paucity of work on women's social entrepreneurship in general and its near-total absence in the Indian context. Taken together these four strands of literature both underscore the several gaps that this research addresses as well as its immense practical value for the practitioners and beneficiaries of social entrepreneurial activity in India.

Finally, the review of literature on value crystallises its most relevant manifestation which drives this research. Social value creation here means ushering in improvements in our and others' lives. It is an enhancement in the subjective well-being of the disadvantaged individuals through enrichments in sustenance, self-esteem and freedom from servitude, i.e. improvements in their provisions of food, shelter, health and safety, augmenting their sense of worth and self-respect and providing them independence in making choices. This can be achieved by, creating and delivering novel solutions that are more effective, efficient, sustainable, or just than the existing solutions. At the core of this attitude is a strong desire to care for others, a basic tenet of value creation from a women's perspective, best manifested in the actions of women social entrepreneurs. As effectuation and lean start-up both offer, in their own ways, more effective, efficient and sustainable solutions than the existing ones, this research, investigates the efficacy of lean-effectual approaches within a women's social entrepreneurship value creation context. This leads to the first research questions of this investigation. At the same time, as there could potentially be reasons for the success of women's entrepreneurial efforts that come from outside the proposed framework, to understand the phenomenon in its totality its second research question explores these reasons. The research thus seeks to find answers to these two questions.

1. What Lean-effectual behaviours are exhibited by successful women social entrepreneurs?
2. What behaviours that are neither lean nor effectual play a role in the success of women social entrepreneurs?

## 2.10. The research context: Social entrepreneurship in India

*“...where social entrepreneurs operate, affects what they do and how they do it...”*

Jonathan Mair, 2010

This section explicates the context within which this research is situated. The discussion here has two dimensions. The social and geographical setting of this research and the evolution, growth and the current status of the investigated phenomenon within this setting.

India is amongst the best-known developing countries in the world due to its large size, its unique history over the millennia and its recent economic success. It also attracted attention more recently as the worst and the largest casualty of a raging Covid pandemic. The focus of this chapter, however, is on the issues that have implications for women’s social entrepreneurship in India. It includes the place of women in the Indian society that positions them both as the target and source of social value creation in India.

### 2.10.1. The socio-economic landscape of India

India, home to nearly 1.4 billion people, is the largest democracy in the world. Its economy, until recently, the world’s fastest-growing large economy, is the third biggest in purchasing power parity (World Bank, 2019). Gender equality, however, is poor in India and it is ranked close to the bottom of the world gender gap hierarchy<sup>29</sup> (World Economic Forum, 2021). A powerful indicator of this inequality is that though girls in India outperform boys at every level of education (Desai & Vanneman, 2018), women lag far behind men in formal employment. In 2018, their participation rate in the labour force was 21% against 76% for men (ILO, 2020).

This inequality is reflected in entrepreneurship too. The women business ownership rate in India is just 14% (Molishree, 2020). In the micro, small and medium enterprises (MSMEs), this proportion is slightly better at 20% (Government of India, 2021). In contrast, Global Entrepreneurship Monitor<sup>30</sup> reports a much higher, 60%, average female / male total early-stage entrepreneurial activity (F/M TEA) ratio for 2001-2018, higher than what it is in many developed countries (F/M TEA in the UK and Germany is about 50%) and only slightly lower than the global average (68%). As TEA measures the percentage of people who have either

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<sup>29</sup> 140<sup>th</sup> out of 150 countries

<sup>30</sup> <https://www.gemconsortium.org/data>

started a business in the last 42 months or who are actively preparing to start a business (Wong, Ho & Autio, 2005), a 20% MSMEs ownership rate against a 60% TEA, makes this obvious that women's entrepreneurial aspirations in India are difficult to be realised as successful business creation. This implies that India, notwithstanding its size and recent economic success, is the largest and the most visible symbol of gender-linked entrepreneurial opportunity imbalance in the world. It has been observed that "*...norms governing women's roles in (the Indian) society limit women's perceptions about what is achievable...*" (Field, Jayachandran & Pande, 2010:125). However, some of them have transcended these limits through entrepreneurship and created significant value, against formidable odds, for themselves and other disenfranchised communities in India through social entrepreneurship, as this research would show in the subsequent chapters.

The focus of social entrepreneurial value creation is invariably the deprived individuals (Notais & Tixier, 2017). Given the magnitude of deprivation in India, the opportunity for social entrepreneurial initiatives is, therefore, immense here (Singh, 2016). The country is ranked 131<sup>st</sup> (out of 150) on the Human Development Index (UNDP, 2020) and for virtually every indicator of wellbeing, it lags behind most countries in per capita terms. Given the size of its population, when translated into absolute numbers, the scale of this deprivation becomes mind-boggling. For instance, India's illiteracy rate of 25.63% in 2018 (World Bank, 2020b) translates into a staggering 350 million illiterates. No other country in the world has such a number of adults who cannot read or write. In fact, the number of illiterates in India is larger than the total population of every other country in the world, except China<sup>31</sup>. Similarly, though the country has only 0.36% blind (Government of India, 2019), in absolute numbers it translates to nearly five million blind persons. With the largest number of hungry people as well as the extremely poor in the world (Banik, 2016), it is not a wonder that the country had not been able to meet most of its millennium development goals (Prachitha, Dhume & Subramanian, 2019). What is really unfortunate is that notwithstanding its recent good economic performance, poverty and inequality in India has continued to grow (Bhuyan, Sahoo & Suar, 2020; Mitra & Nagar, 2018). This is attributed to "*...the reduced role of the state in*

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<sup>31</sup>The population of the third most populous country in the world, i.e., USA is 330 million (United Nations, 2019).

*reducing barriers to equality of outcomes...since the onset of economic reforms in 1991 ...”*  
(Himanshu, 2015:60).

It is widely recognised that when the state is unable or unwilling to put in place effective systems and mechanisms to address social and economic deprivations, the social enterprises emerge, as the concerned individual come forward ‘to do something about it’ (Nicholls, 2006; Yujico, 2008). The existence of extreme deprivation on such a scale along with a lack of appropriate redressal mechanisms has led to a proliferation of social entrepreneurship activities in India.

Starting any business in India is difficult. It ranks 123 (out of 190) countries in the world in ease of starting a business (World Bank, 2020a). Starting a social enterprise is even more difficult here. Unlike more developed countries, personal and business philanthropy is a meagre 10 per cent of charitable donations in India (Sheth, 2010). At the same time, rather than being wealth-dependent, philanthropy is driven by personal conviction in India and the notorious obstructive demeanour of the Indian bureaucracy places further hurdles in the path to the creation of social enterprises (Pruthi, 2012).

#### 2.10.2. Social entrepreneurship in India

*“India has some of the most advanced and innovative social entrepreneurs... many of the models developed in India ... are exported around the world.”*

Klaus Schwab, Schwab Foundation

*“...the three building blocks of social entrepreneurship (sociality, innovation and market orientation)...”* (Huybrechts & Nicholls, 2012:37) have existed in India for a long time. The spirit of social entrepreneurship in India was pioneered by Gandhi<sup>32</sup>. His idea of *Sarvodaya*, which means upliftment of all, is believed to be inspired by John Ruskin’s (1907) *Unto his last*. Gandhi subsequently refined it in the notion of *Antyodaya* which means the uplifting of the weakest. His key socio-economic contribution is in the rejuvenation of cottage and village industries in India, which set the scene for the subsequent rural social enterprises to emerge. Gandhi’s influence in India has been enduring and unsurprisingly, two participants in this

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<sup>32</sup> Mohandas Karamchand Gandhi

research (WSE6 and WSE11) reverently talked about *Gandhiji*<sup>33</sup> and the influence of his principles on their work. WSE12, though did not refer to him, the website of her social enterprise mentions him at many places. The lives of most women social entrepreneurs covered in this research too, closely follow Ruskin's (1907:184) description of a true follower of his ideal as the one who "... *having perfected the functions of (her) own life to the utmost, has also the widest helpful influence, both personal, and by means of (her) possessions, over the lives of others.*" One of Gandhi's disciples, Vinoba Bhave and his land-gift movement were amongst the other prominent examples of social entrepreneurship in post-independence India (Huybrechts & Nicholls, 2012).

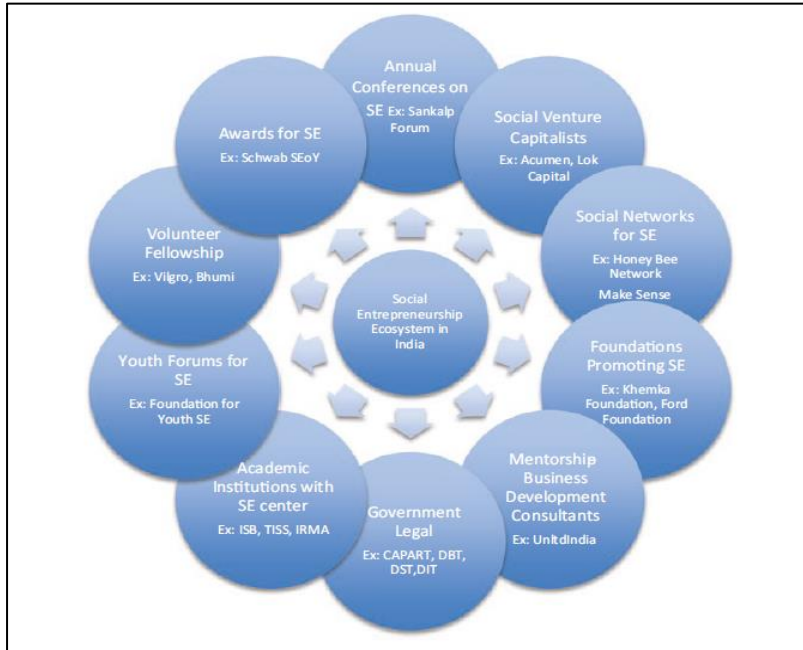
More recent examples of social innovation and value creation in India include the establishment of Aravind Eye Hospital in 1976, in which, by 2005 nearly 2.5 million<sup>34</sup> free eye surgeries were performed (Rangan & Thulasiraj, 2007). The other examples of social entrepreneurship in India include Amul, SEWA, Lijjat and Sulabh. There have also been a plethora of institutional initiatives to train and fund social entrepreneurs in India such as Aavishkaar, Acumen, Lok Capital, Marico Innovation Foundation, Rural Technology & Business Incubator, UnLtd India, Deshpande Foundation, Jagriti Yatra, Villgro Unconvention, Sankalp Forum and the Center for Social Innovation and Entrepreneurship (Shukla, 2020).

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<sup>33</sup> As a mark of exceptional reverence for Gandhi, Indians invariably refer to him as Gandhiji or Mahatma Gandhi and very rarely an Indian would call him just Gandhi.

<sup>34</sup> 7.8 million by now. <https://aravind.org/our-story/> accessed on May 31, 2021

Figure 2.8: Social Entrepreneurship Ecosystem in India



(Source: Prasad & Satish, 2018)

Other Indian social entrepreneurial success stories include Brij Kothari's *PlanetRead* and *Bookbox* that combat illiteracy, Rajendra Joshi's *Saath* that promotes inclusivity for the poor. *Ashoka*, the global association of the world's leading social entrepreneurs was also founded in 1981 in India. Successful Indian microfinance initiatives include the Bhartiya Samruddhi Investments of Vijay Mahajan and the SKS Microfinance of Vikram Akula. The latter is considered to be one of the largest and fastest-growing microfinance organisations in the world. Another promising social enterprise in India is Rikin Gandhi's *Digital Green* supported by the Gates Foundation which delivers videos on the best agricultural practices to the marginalised farmers. The country now has a well-developed social entrepreneurship ecosystem (Prasad & Satish, 2018) as shown in figure 2.8.

Despite such a profusion of social entrepreneurship action at the individual level in India, at the level of the state, surprisingly, no policy framework exists (Satar, 2016). Social enterprises are also not explicitly identified in law in India, though, under the Indian Companies Act, 1956, (Section 8) they can be registered as the companies that promote "*commerce, art, science, religion, charity or any other useful object.*" They can then generate income through the sale of goods. However, any money made cannot be paid as a dividend to the owners or operators of the enterprise and must be used only for its declared objectives (Sengupta & Sahay, 2018). The systematic and up-to-date information on social enterprises in India is also not available.



Their precise number, size of the workforce, share in national GDP etc. are not known though it is known that a quarter of social enterprises in India are led by women (British Council, 2016) and that almost one-third of these are active in the education sector (Salovaara & Wade, 2018).

### 2.10.3. Research context summary

India is one of the most important examples of social entrepreneurship settings in the world. Given the sheer size of deprivation in the country, the scale of demand for social support provision is equally staggering. Unlike China where the state has been able to effectively address absolute poverty, in India, it has remained intractable even after three-quarters of a century after independence. The need for a historically strong tradition of social service and innovation have therefore persisted and have recently intensified following expansion in education and rise in donatable wealth. No wonder, the country boasts of the largest number of active social enterprises in the world. India's well-known dichotomy of world-class individual achievement and mass deprivation is reflected in this sector too where some ground-breaking and transformational initiatives have taken shape and are being replicated around the world. However, little scholarly research on the phenomenon has been done. Within this, the one that showcases the Indian women's important and growing contribution in this field is virtually non-existent. This research is one such small step in this direction.

### 2.11. **Chapter 2 summary**

This chapter reviews all strands of literature relevant for this research, discusses the emergent research gaps and frames the questions whose answers would address these gaps. It then describes and analyses the geographical and social context within which this investigation occurred. The next chapter explains the methodology of this research.

### **3. Methodology**

*“Research is a quintessential tool, no matter what the field of learning is.”*

Chawla & Sodhi (2011:18)

This chapter charts the methodological options available for this research. It explains the techniques chosen for data collection and analysis as well as the overarching research philosophy that guided these choices. In the process, it also reflects on the origins, evolution and prevalent practices in the quest for knowledge relevant for this research.

The reviews of the literature on effectuation, lean start-up and social entrepreneurship and subsequent discussion on the context of this research in the previous chapters highlighted two key research gaps. One, despite a significant complementarity between lean start-up and effectuation, no attempt has been made so far to conceptually combine them. Two, the efficacy of neither of these ideas - as independent constructs or jointly - has been investigated in a gender-neutral or women’s social entrepreneurship context. This research set out to address these gaps within women’s social entrepreneurship research.

#### **3.1. The research design and process**

As stated above, this research aims to understand what behaviours, consistent with various lean start-up and effectuation principles, drive the activities of successful women social entrepreneurs in India. Lean start-up and effectuation are the approaches suggested by Eric Ries and Saras Sarasvathy respectively in their works and have been explained in significant detail in sections 2.1 and 2.2 of Chapter 2.

This research is not based on the presumption that women social entrepreneurs in India in general, and for that matter, in any other country, consciously follow the prescriptive advice implied in the works of these authors. Rather, the quest here is to understand if the behaviours exhibited by these entrepreneurs are consistent with such advice. The eventual aim is to know if the other aspiring social entrepreneurs can benefit by following any one or both of these approaches. At the same time, it is also intended to understand what other non-lean-effectual behaviours, attributes and antecedents contribute to their success.

### 3.2. Philosophy of research: Epistemology and ontology

Two key aspects of the philosophy of research are epistemology and ontology. The distinction between the two is vital as it shapes the design, process and outcomes of all research. Epistemology entails, “*the possibility of knowing the world*” and ontology, the beliefs about “*the existence of a real and objective world*” (Corbetta, 2003:12-13). In other words, ontology involves understanding what reality is and epistemology attempts to understand the process through which we know reality.

There are numerous approaches to social science research. Each has its own unique epistemological and ontological stance. To simplify the task of analysing them, this chapter focuses on only three of these, principally because much of the contemporary social research use, in some form or the other, only these. These are positivism, post-positivism and interpretivism. Table 3.1 provides a summary of key distinctions among these three. Subsequently, section 3.7 explains the methodology and methods of this research.

### 3.3. The positivism

From circa 1930, positivism became the most used approach to social research and dominated the research agendas until the 1960s. It assumed that social reality is external to the observer and can be precisely measured by the researcher.

Within business research, positivism’s appeal has been hard to resist. The promise of discovering fundamental ‘laws of management’ that define organisational behaviour and performance and lead to businesses boosting their profits and entering high-growth trajectories has been too alluring. In line with the assertion that the ultimate goal of positivist social science is the discovery of irrefutable social laws (Simon, 1963), the management scholars, with a positivist allegiance, claim that only the fact-driven, evidence-led, deductive business research can establish the best management praxis (Rousseau & McCarthy, 2007).

The application of positivist research to social science has been, however, problematic. Some problems in this regard relate to its inherent inconsistencies and others to its dubious relevance to social science research. The most incapacitating failure of positivism springs from its central tenet of observational inquiry (Hughes & Sharrock, 1997). It is pointed out that some of the most widely accepted scientific phenomena are not based solely on observations.

Even though nobody has ‘observed’ subatomic particles or Black Holes, and they are grounded only in indirect mathematical evidence, they remain at the core of physics. This fundamental flaw in one of the core positivist premises is termed “*one of the heroic failures of modern philosophy*” (Williams & May 1996:27). It is also argued that the theories are expected to be at the heart of science and not observations (Popper, 1989).

Further, as positivist generalisations are based on repetitive regularity of observations, just one contrary incident is sufficient to disprove them (Popper, 1934) and, thus, a theoretical proposition within the positivist method can only be falsified but never proved. This means that “*...even after the observation of the frequent or constant conjunction of objects, we have no reason to draw any inference concerning any object beyond those of which we have had the experience.*” (Hume, 1985:189). This brings into question almost all business and management research where generalisations are claimed based on inferences from analysis of sampled data which constitute small fractions of the relevant populations.

The first thorough critical appraisal of positivism was presented by Karl Popper (1934). He also provided the earliest articulation of post-positivism both as a critique and a refinement of positivism. Post-positivism breaks away from the objectivist rigidities of positivism. It is based on the premise that a scholar’s social and educational upbringing and prior knowledge, ethics, and values affect their perceptions. At the same time, it maintains objectivity by conceding at the outset, the existence of a potential bias and includes mechanisms to address it in the research process.

### **3.4. Post-positivism**

Post-positivism emerged in response to the above-discussed critique of positivism’s approach, processes and outcomes. It attempted to modify positivism by relaxing some of its more rigid requirements to suit the needs of social sciences. This reincarnation still adheres to the core tenants of positivism. However, it revises and tweaks them so that they can better serve to explain and theorise the social phenomena (Delanty, 1999). It aims to provide a “*...more pluralistic definition of scientific practice, adding equally pluralistic conceptions of its procedures and its uses...*” (Scharff, 2013:125). One key modification is that the social world, though continued to be objectively perceived, is considered to be only imperfectly knowable. Further, rather than deriving conclusions based on an unrealistic certainty of cause-and-effect

relationships, it uses inferential statistics that derive conclusions based on expected probabilities of observations (Onwuegbuzie, Johnson & Collins, 2009). Post-positivism drives much of the current quantitative business and management research that recognises the externality of the social world vis-à-vis the researcher. It also considers “*all observation ... inherently fallible*” (Gray, 2013:23) and concedes that there are limits to human knowledge of the social reality.

The most important contribution of post-positivism is the realisation that in the social context, often, it is not necessary to establish a causal effect with full certainty. Fruitful and productive implications can be derived and applied even if we are a little less sure. This is achieved by clever use of the laws of statistical probability along with the bell-shaped normal distribution of phenomena. It is important to note here a parallel to this approach in therapeutic medicine where new drugs and treatments are put to use even when it is known that they do not have 100% efficacy. If they prove to work in sufficient cases, they become a part of the treatment on the premise that any benefit is better than no benefit. Currently, a drug that is shown to reduce mortality in acutely ill coronavirus patients only by 30% is being widely used in treatments (Ledford, 2020).

### **3.5. Interpretivism**

In contrast to post-positivism, interpretivism marks a total break from the positivist practice. It is grounded in the conviction that the social and natural realities are distinctly different and researching each of them needs a completely different set of tools, processes and agendas. The former exists to expound the extrinsic and perceivable reality and the latter to grasp, define and make sense of the diversity of human experience (Dilthey, 1961). The basic argument here is that social science is “*...not an experimental science in search of laws but an interpretative science in search of meaning*” (Geertz, 1973: 5).

In interpretive research, the reality is first articulated subjectively by the players to the researchers. They, in turn, try to understand it from their own subjective outlooks. This understanding then appears in the form of published literature that resonates within the scholarly community and then in the wider society. These feedback loops, in turn, shape public opinion as well as influence the evolving social phenomenon. As a result, conclusions derived from past research often may not continue to hold in the future (Hay, 2002). Thus,

unlike its positivist counterpart, succeeding interpretive research often does not just refine the extant theory. It reinvents it in each new round as the new generations of players play the social games with a new set of motives and behaviours. As a result, the social phenomena, evolve differently in a new era, take new forms and, in their wake, attract the interest of a new generation of scholars who try to make sense of these new emerging social realities.

Table 3.1: Philosophy of social research

	Positivist	Post-positivist	Interpretivist
<b>Ontological issues:</b>			
<i>The nature of social reality</i>	Objective	Objective; critical realistic	Objective and subjective, intrinsically linked
<i>Is reality knowable?</i>	Yes, and easy to capture	Yes, but not easy to capture	Somewhat, but not separate from human subjectivity
<b>Epistemological issues:</b>			
<i>Relationship between the scholars and their knowledge</i>	Dualistic: scholar and object are two separate things	The scholar influences the knowledge	Scholars aim at understanding subjective knowledge
<i>Forms of knowledge</i>	Natural laws (causal)	Probabilistic laws	Contextual knowledge
<b>Origins, foundations and goals:</b>			
<i>Intellectual origins</i>	Rene Descartes; British Empiricists; Auguste Comte	Karl Popper	Giambattista Vico; The Geist tradition of human sciences
<i>Underlying assumptions</i>	Social nature is factual and objective; Social order is found in lawlike, linear regularities	Social nature is <i>largely</i> factual and objective; Social order is found in <i>near</i> lawlike, linear regularities	Social nature is constructed; Social order is found in shared norms and interests
<i>Interest/aim</i>	Prediction and control	Prediction and control	Understanding social nature as a broader totality of forces

(Source: Adapted by the author from della Porta & Keating, 2008; Gerard, 2016 and Guba & Lincoln, 1994)

### 3.6. The methodological plurality of social research

The methods used by the positivists and the post-positivists are sometimes referred to as the ‘hard methods’ as they seek to understand the world objectively. In contrast, interpretive methods are deemed ‘soft’ as they attempt to comprehend the social phenomena subjectively (della Porta & Keating, 2008). It is important to note here that from a positivist perspective, interpretive subjectivism is a methodological *flaw* whereas, from the interpretive outlook, insistence on objectivity in social research is *unreasonable*.

The positivist rigour demands data reliability and validity, each with a definite measurement and interpretation (Guo & Sheffield, 2008). To maintain objectivity, the positivist scholars, follow a hands-off approach towards their ‘key informants’ and rely on anonymised

structured interviews or surveys and deploy objective quantitative criteria to measure the effects and interpret the results as they emerge untouched by the human perceptions.

At the start of typical positivist research, a number of hypotheses are stated that postulate causal relationships amongst the variables. These hypotheses emerge from either observations or logical conjectures or are shaped by the findings of past research. Relevant variables and their measurements are then specified and defined. The data collected to test the hypotheses is invariably quantitative though not necessarily. Statistical methods and principles are used to accept or reject these hypotheses (Héritier, 2007). As is obvious, the process imitates research in natural sciences (Corbetta, 2003). However, in social sciences, laboratory experiments are rarely feasible. To circumvent this, the social researchers either conceptualise or specify variables and isolate them from existing datasets or collect relevant data, drawing random samples deploying standard mathematical procedure to verify the cause-effect linkages and at the same time, *“identifying, assessing and eliminating rival explanations”* (Collier, Brady & Seawright 2004: 229). As stated above, instead of stringent deterministic causal evidence, a requisite in positivism, in post-positivism, probabilistic evidence is considered sufficient. The positivist presumptions of context-free knowledge and universal inter-variable influence too do not hold within post-positivism.

Interpretivists, in contrast, rely on an altogether different set of analytical tools to discern and verify the social truth. Their examination of social phenomena is invariably in its natural surroundings and their process of sense-making is strongly influenced by the perceptions of the agents involved. They seek knowledge from the ‘key informants’, the individuals who hold (and can reveal) the vital information needed to grasp intricate social relationships and processes relevant to their inquiry. Their methods are designed to engender textual data in the shape of ‘rich’ descriptions and are presented to the reader as quotes, passages and notes. It is obvious that interpretivism does not examine the cause-effect relationships or attempts to generalise. It tries to grasp and explain the reality by *“immersing ... in information about the actors in question and using both empathy and imagination to construct credible accounts of their senses of identity”* (Smith, 2004: 43). Interpretive scrutiny is holistic. The cases it examines are individual, organisational, communal and cultural and a context-based analysis is at its core.

Grounded theory and thematic and narrative analyses are some of the methods used by interpretivists. In grounded theory, the theory is shaped by observation. It uses repetitive comparison to unravel underlying modes and structures of social relationships leading to concepts and theories (Kelle, 2010). Thematic analysis extracts key themes by identifying patterns in textual data. The process of theme extraction is based on a theme's potential to explicate the investigated phenomena and in providing the research answers (Braun & Clarke, 2006). Narrative analysis tries to understand and convey how human subjects make sense of their lived experiences. It uses instruments such as qualitative interviews, field notes and dialogues to portray human narratives (Cortazzi, 2014).

### 3.7. Methodology of this research

As entrepreneurship is a social science, for this research, the epistemological choice was between post-positivism and interpretivism. Post-positivist research involves defining the properties and measures of a number of independent variables as well as a dependent variable. A questionnaire is then developed to collect data on these variables along with a number of demographic variables as controls. The data collected by administering this questionnaire on a large number of respondents is then processed to test the hypotheses linked with the research questions, using appropriate statistical techniques.

Such a post-positivist quantitative approach would not have been appropriate for this research given that so little is known about the triad of relationships of social entrepreneurship with lean start-up and effectuation approaches. Further, as Bygrave (2007) argues, the entrepreneurial process is characterised by attributes that makes it impossible to be modelled as a mathematical analytical process due to the presence of 'discontinuities' in entrepreneurship. A qualitative interpretive approach is, therefore, chosen here, following Bygrave (2007:5) who observes that *"...we use qualitative approaches when we wish to go beyond mere description at a generalisable level in our empirical investigations."* This research aims to go beyond mere description and not just seek a 'yes' or 'no' answer to the suitability of lean-effectual methods for women social entrepreneurs. The aim here is to understand how exactly these methods are successfully used at various stages, from the inception to the subsequent development of social enterprises. This aspiration nudges this research towards an interpretive approach. This choice answered a number of relevant methodological



questions as a corollary. These included acceptance of implicit human subjectivity, qualitative data collection through semi-structured interviews, and thematic data analysis through abduction.

### 3.8. The research approaches

A social researcher could use one of three possible approaches, deduction, induction and abduction. In deduction, the research moves from theory to data, in induction from data to theory and in abduction, it moves back and forth between the two (Suddaby, 2006). Deduction works on the logic that if premises of research are true, its conclusions would also be true. In induction, known premises are used to generate untested conclusions, whereas abduction uses known premises to use testable conclusions (Saunders, Lewis & Thornhill, 2003). In positivist research, where hypotheses are framed and causal inferences are drawn, deduction is invariably used whereas much of interpretive and sense-making social research is inductive. Deductive research is often quantitative and applies statistical methods on large data sets whereas inductive research carries out a qualitative analysis of information from relatively smaller entities (Bryman, 2016). Table 3.2 highlights the key differences in the three approaches to research.

*Table 3.2: Approaches to research*

	<b>Deduction</b>	<b>Induction</b>	<b>Abduction</b>
<i>Flow of inquiry</i>	From theory to data	From data to theory	Circular
<i>Logic</i>	If the research premise is true, conclusions would be true	Known premises can generate untested conclusions	Known premises can generate testable conclusions
<i>Function</i>	The hypothesis used for prediction	Tests predictions and validates hypotheses	Generates hypotheses
<i>Data</i>	Quantitative	Qualitative	Either or both
<i>Philosophy</i>	Positivism	Interpretivism	Either or both

(Source: Author, 2021)

This research seeks to generate testable conclusions on women’s social entrepreneurship practice using two known premises, effectuation and lean start-up. For this, qualitative abductive research is deemed appropriate for and is consistent with this research. It draws conclusions regarding the presence of lean-effectual behaviours as well as non-lean-effectual antecedents from the narratives of twenty-three successful women social entrepreneurs analysing the information gathered from their interviews<sup>35</sup>. It uses a qualitative interpretive

<sup>35</sup> WSE16 provided only written answers to the interview question.

approach to generate a number of testable theoretical propositions. These emerge from the analysis of lean-effectual behaviours of participants as well as that of non-lean-effectual antecedents to their success. These propositions are listed in the Findings and Analysis chapter as well as in the Discussion chapter at appropriate places. This research process, thus, starts from two theories, collects data and returns to a revised theory in the form of a set of propositions.

### 3.9. The nature of research

Bryman (2007) advises that the research questions should determine the nature of research. Research can be, exploratory, explanatory or confirmatory and so could be the methods to find their answers (Yin, 2015). Table 3.3 explains the key differences between these three.

*Table 3.3: Nature of research*

	<b>Exploratory</b>	<b>Explanatory</b>	<b>Confirmatory</b>
<i>Research process</i>	Investigates a problem that has not been studied before.	Investigates a problem that has been studied before. However, it lacks adequate understanding.	Verifies the conclusions of previous research in a new context
<i>Research focus</i>	Examines 'what'	Examines 'why and how'	Examines 'why and how' in a new context
<i>Outcome</i>	A fresh understanding of an unknown phenomenon	Improved understanding of the known phenomenon.	Understanding of a known phenomenon in a new context
<i>Nature of results</i>	Inconclusive	Inconclusive but informative	Conclusive

(Source: Author, 2021)

This research is not confirmatory. The obvious conjecture from which it springs is that lean-effectual conduct is likely to benefit the social entrepreneurial practice. However, the aim of this research is not to establish causality in a positivist sense but to know which set of behaviours are used by these women and if they wholly, or in parts, be construed to be lean-effectual. The openness of this position is reflected in two research questions that capture all logically possible outcomes i.e., lean-effectual or non-lean-effectual could be at work. The social entrepreneurial success of women in this research is not a variable, it is an event.

The attempt here is to explain, how this event unfolds through an exploration of the experiences of key players. This research is therefore exploratory as well as explanatory. The quest here is exploratory because the phenomenon of women's social entrepreneurship in India is just unfolding. Little is known about it and certainly, nothing is known on the possible presence of a lean-effectual element in it. As two newly postulated doctrines, combined here,

as the lean-effectual construct have the potential to explain the wherewithal to successful social entrepreneurial practice, this research seeks to find the answers to its questions through an exploration of lived experiences of a number of women social entrepreneurs. It also aims to explain what aspects of their behaviours could be termed as lean-effectual, as well as the non-lean-effectual behaviours and attributes that allowed them to act successfully as women social entrepreneurs. This research, therefore, is explanatory also.

### 3.10. **The research strategy**

A number of research strategies are available to a social researcher. These include action research, experiments, grounded theory, narrative inquiry, archival research, ethnography, surveys and case study (Saunders, Lewis & Thornhill, 2003). Action research, and to some extent, experiments, involve some researcher control over respondent activities, which was not feasible in this research. Narrative inquiries, as well as grounded theory, are used when no prior theory exists. This was not the case here. Archival research was not applicable as the phenomenon of social entrepreneurship has emerged only recently. Ethnographic studies need a researcher to live within their research contexts over a significant time. Even if this were done in a much smaller number of cases it would have needed time beyond the scope of doctoral research. The survey is the chosen strategy for positivist, quantitative research, which is not used here.

For this research case study approach which, “...investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident” (Yin, 2013:13) is chosen. This choice is influenced by the fact that the boundaries of the phenomenon of social entrepreneurship are still being formed. Further, as only an in-depth analysis can reveal in requisite detail the kind of behaviours women social entrepreneurs exhibit, this approach was deemed appropriate to ascertain if these behaviours were lean or effectual or non-lean effectual.

As a research strategy, case study research attempts to analyse and decipher the subtleties inherent in the studied phenomena and is particularly useful in situations where experimental controls are not possible or considered unethical (Miles & Huberman, 1994). A crucial quality of case study research is its flexibility (Pearson, Albon & Hubball, 2015) which allows the researcher to describe, explain and test various premises of their research (Meredith, 1993).

Case studies provide detailed narratives of actions of key actors which proves invaluable in exploratory research (Ponelis, 2015) attempted here. They paint a complete picture and facilitate both, buildings of new theories as well in exploring if an existing theory is evident in a specific context (Eisenhardt & Graebner, 2007) as is the case in this research. Yin (2017) observes that case study research is aimed at theoretical or analytical generalisation and not at generalisation for populations or statistical generalisation. It is possible to reach an acceptable level of theoretical generalisation from the case study research if, along with a comprehensive account of the actors and their behaviours, the nature and implications of interaction amongst different elements of the studied phenomenon are also explained (Thomas, 2011). This research aims for theoretical generalisation and attempts to achieve it through a detailed account of various lean-effectual as well as non-lean-effectual behaviours reflected in the actions of participants and an analysis of their implications.

Within business and management research, case study research occupies an important niche as it meets all key norms of high-quality research (Patton & Appelbaum, 2003). Case study research is more appropriate than survey research if an explanation is needed after exploration (Hancock & Algozzine, 2017) as is the case in this research. If a significant number of respondents (fifteen or more) are interviewed to build the case studies, requisite analytic rigour and robust theorisation can be attained (Saunders & Townsend, 2016).

### 3.11. **Sampling strategy and process**

The unit of analysis in this research is a women social entrepreneur in India. In the case study research, the unit of analysis could be an individual, an organisation, a group of individuals or a group of organisations. However, following Yin (2003:22) who advises that *“in each situation, an individual person is the case being the study, and the individual is the primary unit of analysis”*, women social entrepreneurs are chosen as the appropriate unit of analysis. To identify them for data collection purposive sampling is used. Purposive sampling is a non-probability sampling technique in which respondents who hold the requisite information are purposively chosen (Etikan, Musa & Alkassim, 2016). As explained in the introduction, the incidence of women social entrepreneurship in India is widespread with over five hundred thousand current practitioners. This seemingly is a large dataset to easily choose appropriate participants for this research. However, India is a vast country and a large part of the

disadvantaged people is located in the hard-to-reach countryside and therefore a part of social entrepreneurial activity is conducted away from the limelight. A part of the phenomenon of interest for this research, thus, has low visibility.

A variety of sources were, therefore, used to identify and approach appropriate participants for this research. Using news media reports as a proxy for noteworthy contributions, many potential participants were identified. Amongst these, those who have received Ashoka Fellowship, Schwab Fellowship or other national or international awards as social entrepreneurs were shortlisted. Further recommendations were sought and received from the Entrepreneurship Development Institute of India, Ahmedabad, the Indian Institute of Management, Kolkata and the India branch of School for Social Entrepreneurs, New Delhi. The sampling process thus used a mix of “*typical case sampling*” and “*expert sampling*” within the purposive sampling protocol (Etikan *et al.*, 2016). After gleaning further information from the websites of the associated social enterprises, forty-three entrepreneurs were identified based on the evident quality of their work. An email to their enterprise was then sent requesting the entrepreneurs’ contact details. Once these details were secured, an email (Appendix 5) explaining the research and requesting participation in the research was sent. Of these, twenty-seven entrepreneurs gave formal consent from which twenty-three interviews transpired. In four cases, the last-minute changes in plans and other difficulties prevented the interview.

### 3.12. **Data collection**

Data for social research is principally collected through either a questionnaire survey or personal interviews. Other data collection methods such as participant observation and experiments are used less often in business research (Bell, Bryman & Harley, 2018). In surveys, a large number of respondents, particularly in an online version, could be approached. However, these surveys which can be quickly distributed by the researcher and completed by the respondents, invariably preclude human interaction between the researcher and the participants and do not allow the facility of asking supplementary questions and gaining clarity (Ghauri, Grønhaug & Strange, 2020). The principal use of surveys is in confirmatory research and they are mostly used in hypotheses driven post-positivist research (Petersen, 2020). In contrast, participant interview is the main data collection

method in interpretive research (Bryman, 2016). As stated above, these interviews can be unstructured, semi-structured or fully structured. Unstructured interviews are useful where there is limited information on the phenomenon and the objective of the study is to form a basic understanding. Semi-structured interviews are deployed when there exists a basic understanding of the phenomenon but some of its specific aspects need to be understood. Fully structured interviews are the same as a questionnaire survey and are used when the respondents are not able to provide the requisite information by completing the survey questionnaire themselves (Ghauri, *et al.*, 2020).

The phenomenon of social entrepreneurship is generally adequately understood. However, whether women social entrepreneurs exhibit lean-effectual conduct (and if they do, then the nature of such conduct amongst them) is not known. This is attempted to be deciphered in this research. This aim could not have been achieved through a questionnaire survey due to its lack of scope for deeper probe (Bryman & Bell, 2011) needed to understand which if any of the behaviours of respondents are consistent with a lean start-up or effectual premise and if yes what is the nature of such behaviours. Semi-structured interviews, which generated detailed answers from the participants on what they do and why they do it were, therefore, considered most appropriate to collect data for this research.

*Table 3.4: Structure of research interviews*

<b><i>Differentiating aspect</i></b>	<b><i>Structured interviews</i></b>	<b><i>Semi-Structured interviews</i></b>	<b><i>Unstructured interviews</i></b>
<i>Objective</i>	Confirm hypotheses or propositions	Understand specific aspects of a phenomenon	Form a basic understanding of the phenomenon
<i>Key Questions</i>	Many	Few	One or two
<i>Supplementary questions</i>	None	Some	Many
<i>Nature of questioning</i>	Confirmatory	Exploratory and explanatory	Exploratory
<i>Relevant philosophy</i>	Positivism / post-positivism	Interpretivism	Interpretivism

(Source: Author, 2021)

The questions for semi-structured interviews were crystalised by the indicators of effectuation and lean start-up behaviours specified by Sarasvathy and Ries in their respective works. A number of further context-related questions were added to seek more information to fully understand the contexts in which the entrepreneur and her organisation are operating including the information on antecedent to the enterprise and motives of the entrepreneur

(Appendix 2: Interview questions). As stated above, two Covid related questions were added after nine interviews were completed following the advice during the annual review of this research. Answers to these were secured via email from the participants who were already interviewed at this point. Answers to these questions provided further evidence on behaviours related to the lemonade principle from effectuation and management of uncertainty under lean start-up.

Semi-structured interviews in traditional qualitative research have a small number of questions linked with broad themes to which the respondents provide detailed answers. However, in this research, a larger number of (twenty-three) very specific interview questions were asked. Interviewing spectrum extends from a completely structured interview, akin to a questionnaire survey, to a completely unstructured and open interview (Table 3.4). On this spectrum, semi-structured interviewing for this research, was a good distance away from an unstructured interview and leaned towards the more structured one. There is a reason for this. Both Sarasvathy and Ries provide a number of well-defined markers of expected behaviours in their respective doctrines. To identify these, an equal number of specific questions were needed (Appendix 2). This research thus seeks to make sense of motives, behaviours and experiences of women social entrepreneurs in India as well as attempts to explicate as to what is the nature of their lean-effectual and/or non-lean-effectual conducts.

### 3.13. **Participant interviews**

The interviews lasted between three and a half hours and 30 minutes. The average interview time was 45 minutes. Social entrepreneurs with longer experience and contributions in multiple spheres had a lot more to share than those who have recently started. Only one participant had English, her first language. For the rest, it was their second language. However, interviews were planned in English and materialised without any difficulty, as most participants are highly educated and are able to easily converse in English. Five participants have doctoral degrees and all, except one, are university-educated, some in the USA, the UK or Canada.

Six interviews occurred at the site of social enterprises. Many more that were planned to be conducted on-site were eventually done online due to the public disturbances in North India during the data collection visit. Likewise, those that became possible after return to the UK,

too were conducted online. Zoom and Skype were the platforms that were used for online interviews based on the convenience of the participants. All interviews were digitally recorded, transcribed and a verbatim transcript was sent to the participant for verification (Appendix 11). They were also given an option to add or delete any part to/from the transcript text.

### 3.14. Data Analysis

Verified transcripts were coded and loaded to NVivo for quick retrieval and not for analysis as explained below citing Maher, Hadfield, Hutchings & de Eyto, (2018). A question is often raised on rigour in qualitative data analysis. One reason for this is that while analysing a large collection of qualitative data, it is often not humanly possible to keep track of all textual evidence, spot patterns and make sense. It is also probable that subjectivity would enter the conclusions because of the researcher's own preconceptions (Bott, 2010). One possibility to pre-empt such outcomes is to use computer software such as NVivo (Bergin, 2011). However, *"...digital analysis software packages such as NVivo...(which) provide excellent data management and retrieval facilities ... do not fully scaffold the analysis process"* (Maher, et al., 2018:1). In the analysis in this research, therefore, significant personal input beyond the 'scaffolding' provided by NVivo was needed. This was done by using NVivo largely for data organisation and classification. The thematic analysis was done manually.

Fortunately, as stated above, Sarasvathy and Ries have provided a number of distinct markers of effectual and lean start-up behaviours respectively, which had shaped the interview questions. As a result, deciphering which specific principle of lean start-up or effectuation was reflected by the interviewed respondents was not too difficult to ascertain. The transcribed interviews are pre-coded within Microsoft Word based on the interview protocol demarking the information linked with a number of lean and effectual behaviours as well as the with the specific context in which the enterprise was formed and has been operating. Appendix 2 shows the coding themes linked with various interview questions and how they fed into research questions. For instance, interview question 7 was *"Did the initial product or service address only the basic needs of your potential beneficiaries or it had all the features which are available now?"* The response to this question indicated the evidence on MVP. If the response was yes to part one and no to part two, the relevant text was then sub-coded as 'MVP' within the code 'LEAN START-UP'. Similarly, question 9 was *"Does the business have any formal or informal*



*partnerships with customers, suppliers or potential competitors?”* An affirmative response on this provided evidence on the Crazy quilt principle. The relevant text in the transcript was sub-coded as *‘Crazy Quilt Principle-Form partnerships’* within the code *‘EFFECTUATION’*. Appendix 6 shows the full NVivo code file.

All interviewed social entrepreneurs expressed interest in knowing the findings of this research and have been promised that these will be shared with them when the research is completed.

### 3.15. **Rigour in research: Reliability and validity**

Within positivist quantitative research if the methods used produce the same results each time, it is repeated, it is considered reliable. However, positivism has its specific tools to confirm such reliability of its research. Two kinds of responses to the issue of reliability have come from the qualitative researcher fraternity. Some scholars such as Lincoln and Guba (1985:300) propose ‘dependability’ in qualitative research as a parallel to ‘reliability’ in quantitative research. On the other hand, “...*many qualitative researchers are completely eschewing reliability as either a feasible or desirable feature of their inquiry*” (Rose & Johnson, 2020:440). The validity, the other aspect of rigour in research, relates to the accuracy of the findings from the perspectives of researchers, participants, and potential beneficiaries (Lincoln, Lynham & Guba, 2013). In comparison to the need for reliability, the need to demonstrate validity is contested even more fiercely by qualitative researchers who question the value of this construct, which is deeply ingrained in the positivist philosophy, ignore it completely and focus on providing as convincing a narrative as possible (Miles, Huberman & Saldana, 2014).

Notwithstanding these issues, the fact remains that the methodological rigour is central to the quality of research and has implications for the researchers’ credibility, wider acceptability of their findings and their perceived value (Johnson & Parry, 2015) and must be dealt with in all seriousness (Creswell & Miller, 2000). Among those who share such a perspective, there have been two approaches to demonstrating rigour in qualitative research. One is ‘post-hoc evaluation’ and the second is ‘concurrent verification’ (Morse, Barrett, Mayan, Olson & Spiers, 2002). The first largely follows the processes prescribed by Guba and Lincoln (1981, 1982, 1985) and the second is suggested more recently by Morse *et al.*, (2002).

Table 3.5: Participant information

Participant	Highest Education	Start	Location	Beneficiaries	Social Issues
WSE1	MA (Social Work)	1996	W	Street children	Safety of street children
WSE2	MBA, USA	2004	N	Rural poor, girls	Education and employment of girls
WSE3	PhD	2011	W	School children	Quality of education in the schools
WSE4	Master's, USA	2005	W	Artisans	Artisan education
WSE5	PhD, USA	1983	N	Rural girls, poor	Education for village girls
WSE6	BA (Gold medal)	1980	W	Rural poor, tribals	Comprehensive rural development
WSE7	BA Honours	2000	E	Artisans	Artisans' wellbeing
WSE8	BSc, honorary PhD	1998	S	Footwear artisans	Footwear artisans' wellbeing
WSE9	MA, USA, Fulbright Scholar	2005	W	Rural artisans	Rural artisans' wellbeing
WSE10	Bachelor's degree, Homoeopathy		W	Mentally challenged children	Education and employment for mentally challenged children
WSE11	MSc, UK, Fulbright Scholar	2013	W	Small and marginal farmers and women	Water harvesting, flood prevention
WSE12	High school	1997	S	General public	Health and wellbeing
WSE13	BA	2006	S	Shelter home Children	Quality of shelter homes
WSE14	PhD	2017	E	Rural children	Education for rural children
WSE15	PG Diploma	2015	E	Farmers	Farmers' livelihood, consumers' health & wellness, sustainability
WSE16	MA, UK	2009	W & N	Poor, particularly women	Financial literacy and education for poor
WSE17	BTech	2015	E	Rural children	English education for rural children
WSE18	MS, USA	2010	W	Poor, particularly women	Employment for poor women
WSE19	MA, UK	2019	N	General public	Wellness education
WSE20	MA	2017	N	Poor, disadvantaged children	Creativity
WSE21	PhD	1986	W	Disadvantaged individuals	Self-employment
WSE22	LLM, USA	2018	N	Poor, particularly children	Hunger and unhealthy food habits
WSE23	PhD	2000	S	Women professionals	Reemployment for professional women

W = West India; N = North India; E = East India; S = South India

Guba and Lincoln (1981, 1982, 1985), postulated the notion of 'trustworthiness' while rejecting the appropriateness of 'rationalistic' yardsticks to measure the rigour of 'naturalistic' research. They proposed credibility, transferability, dependability, and confirmability as the operatives of 'trustworthiness'. The qualitative research community, which had always

resisted the imposition of positivists' measures of exactitude on their research has embraced the notion of 'trustworthiness' as well as the tools and processes that test and confirm it such as reflexivity, triangulation, member checking, thick description and peer review.

*Reflexivity*, "... a major strategy for quality control in qualitative research..." (Berger, 2015:219) and an important tool to enhance its credibility (Riege, 2003) allows researchers to assess their research through an open and critical self-evaluation of their role in transforming the subjective insights of participants into their findings (Finlay, 2002). It acknowledges and redresses the fact that a researcher's perception and background could have a bearing on the conclusions of their research (Kacem & Chaitin, 2006).

*Triangulation* involves bringing in information from different - and as far as possible mutually independent - sources to increase the credibility of information on which the findings are based (Cohen, Manion & Morrison, 2000). It explicitly accepts the plurality and coexistence of different contextual frames of reference (Atkinson & Delamont, 2008). Denzin (1978) recommends multiplicity of sources as well as collection and diversity in the analysis of data and theoretical underpinnings as the triangulations processes to enhance validity.

In *member checking*, the key outcomes of the research are reviewed by the research participants (Smith & McGannon, 2018) to confirm that the researcher's interpretation of the information that they provided is consistent with the meanings that they assign to it (Doyle, 2007).

*Thick description* involves an in-depth description of the data collected from the participants (Zitomer & Goodwin 2014). It is "...not simply a matter of amassing relevant detail. Rather... recording the circumstances, meanings, intentions, strategies, motivations, and so on that characterize a particular episode. It is this interpretive characteristic of description rather than detail per se that makes it thick" (Schwandt, 2001:255).

*Peer review* or *debriefing* provides an external check of the research process (Creswell, 2013). The reviewer is expected to challenge the data, methods, analyses and conclusions as well as the assumptions driving them and at the same time make a genuine attempt to understand the researcher's perspective and motives. In contrast, the advice from Morse *et al.* (2002) on concurrent use of verification strategies are rooted in the premise that qualitative researchers can establish the credibility of their work through "...epistemological understandings, the

depth of literature reviewed and engaged, the appropriate theoretical positioning of the argument, selection and deployment of the multiple and often conflicting data collection techniques and analytical procedures undertaken, the connection of empirical material to larger theories and discourses, and how these aspects of the research are interwoven with one another...”( Rose & Johnson, 2020:435). Creswell (2013) too advises to explain and justify the methods and analysis deployed in this context. A detailed account of the research process that is followed and the rationale for the choices that are made at each juncture can provide further assurance that if the process were replicated similar findings and conclusions would emerge and can establish the reliability of research (Creswell, 2014). It is also suggested that a researcher can further establish the *Catalytic validity* by adherence to an explicit agenda of social justice leading to “...more humane, tolerant, progressive, just” outcomes (Rose & Johnson, 2020: 442). Table 3.6 explains how various criteria of trustworthiness of this research were met.

Table 3.6: Validity and reliability of this research

Criteria	How the criteria are met
<i>Triangulation</i>	Data collection from multiple sources (interview + information in the public domain). Underpinning the research by three theoretical perspectives namely, lean start-up, effectuation and non-lean-effectual premises
<i>Member checking</i>	Approval of interview transcripts by the participants, sharing of findings with participants
<i>Thick description</i>	A detailed narrative of the women social entrepreneurs’ “ <i>circumstances, meanings, intentions, strategies and motivations</i> ” and an “ <i>interpretive nature of description</i> ”
<i>Peer review</i>	Review and monitoring of research by the supervisors and an independent reviewer, presentation of ongoing research at academic conferences
<i>Catalytic validity</i>	Highlighting the works of successful women social entrepreneurs in congruence with the public value strategy of Cardiff Business School
<i>Reflexivity</i>	Reflexivity statement

In this research, a reflexivity statement is provided at the end of the thesis. Triangulation is achieved by data collection from multiple sources. Triangulation is embedded in research by underpinning it by three theoretical perspectives namely, lean, effectual and non-lean-effectual premises. Member checking in this research involves the approval of interview transcripts by the participants. It is also planned that all participants would be shared the findings of this research. However, they will not be asked for approval of findings as it makes findings overtly descriptive to satisfy participant’s concerns, does not allow the analysis to go beyond raw data and may prevent true findings to be reported (Morse *et al.*, 2002).

By providing a detailed narrative of the women social entrepreneurs' "circumstances, meanings, intentions, strategies, motivations" as well as through an "interpretive description" (Schwandt, 2001:255), the thick description in reporting the research findings is achieved. Peer review or debriefing is achieved by the extensive review of doctoral research by the expert supervisors as well as by a reviewer during the annual review process. Finally, this research's catalytic validity is reflected in its pursuit of an agenda of social justice as it highlights the works of successful women social entrepreneurs and is consistent with the public value strategy of Cardiff Business School. Table 3.7 lists the methodological choices of this research.

Table 3.7: Methodological choices of this research

Philosophy of research	Epistemology	Interpretive
	Ontology	Subjective
Approach to research		Abductive
Nature of research		Exploratory as well as explanatory
Research strategy		Case study
Sampling strategy		Purposive non-probability sampling
Data collection method		Semi-structured in-depth interviews
Nature of data		Qualitative
Data analysis method		Thematic analysis
Reliability and validity check		Triangulation
		Member checking
		Thick description
		Peer review
		Catalytic validity
		Reflexivity

### 3.16. Ethical considerations

Cardiff University has one of the most rigorous procedures to ensure that all research, including doctoral research, undertaken here is ethical and follows both the broad principles of research ethics as well as any relevant regulations and laws that apply to it. All research students need to undertake comprehensive research ethics training, pass a test at the onset of their research and demonstrate that they fully understand the principles and procedures that govern their conduct.

There is also a comprehensive ethical review of each doctoral research project where the researchers explicate what they intend to do and how each aspect of their research project is in alignment with the university's research ethics principles. The ethical review of this research too was completed and approval was duly received. (Appendix 7). The research

ethics principles that govern this research and how they have been followed is described below.

#### 3.16.1. Respect for persons

In research that involve human participants, it is necessary that they are treated with due respect no matter who they are and what their status in society is. The participants in this research are twenty-three women social entrepreneurs in India. They were all approached via email and requested to participate in this research by providing them with full details of the research (Appendix 5). When they agreed to participate in the research, they were sent a consent form (Appendix 8) and only after it was received duly signed by them that they were interviewed. The email communication with them (Appendix 5) and the verbatim interview transcripts demonstrate that before, during and after the interview process, they all were treated with due respect.

#### 3.16.2. Beneficence and non-maleficence

The academic, as well as the practical value of this research, is explained in significant detail in the introduction section of this thesis. That there are no harmful consequences of this work on anyone, too is explained.

#### 3.16.3. Justice

All participants in the research were treated equally well. This can be confirmed from the email communication with them and the verbatim interview transcripts. (Appendix 5 and 11)

#### 3.16.4. Informed consent

The interviews were conducted only after the participants had signed and returned the prescribed participant consent form of Cardiff University.

#### 3.16.5. Confidentiality and data protection

Names of all participants are anonymised in this thesis. Any information linked with their identity is also removed. The interview transcripts will be destroyed as per the data protection regulation of Cardiff University after the research is concluded.

#### 3.16.6. Integrity

Verbatim transcripts were sent to all participants for their approval to ensure that they are aware of the information that will be used in this research. At each stage of the progress of this research, updates were shared with the supervisory team and with the reviewer conducting annual reviews.

#### 3.16.7. Conflict of interest

The researcher or the supervisory team have no conflicts of interest with any participant in this research or the organisations with which they are associated. The researcher or the supervisory team have not known them or met them before contacting them for an interview.

### 3.17. **Chapter 3 summary**

This chapter describes the design that this research employed and expounds on the overarching philosophy including the epistemology and ontology that informed it. It explicates the approach used in this research including its strategy and rationale for both the data collection and data analysis. It reflects on the origins, evolution and prevalent practices in the human quest for knowledge relevant for this research. It spotlights the methodological plurality of social research by explaining its key approaches, positivism, post-positivism and interpretivism and differentiating them from one another in terms of the nature of data and methods. It then discusses the crucial issue of rigour in research including its reliability and validity and explains why the research presented in this thesis should be considered reliable and valid. Finally, the ethical considerations of research are highlighted and processes explained that were employed to meet the high standards of research ethics expected from this research.

## 4. Analysis and findings

### 4.1. Introduction

This research set out to investigate the nature and extent of lean-effectual behaviours in women social entrepreneurs in India. As explained earlier, the theoretical framework developed in this research combines the key ideas implicit in the lean start-up approach recommended by Eric Ries and the effectuation theory postulated by Saras Sarasvathy. To this end, the following two research questions were framed for investigation.

1. What Lean-effectual behaviours are exhibited by successful women social entrepreneurs?
2. What behaviours that are neither lean nor effectual (non-Lean-effectual behaviours) play a role in the success of women social entrepreneurs?

In the first phase of data collection, nine participants were asked a set of twenty-one questions. The questions were principally designed to understand which behaviours of these entrepreneurs were consistent with lean-effectual conduct. An attempt was also made to capture behaviours that may fall outside the gamut of a lean-effectual demeanour to portray the women's social entrepreneurial conduct in its totality, without prejudice to any particular outcome. Questions were also asked to understand the context and circumstances specific to each participant to identify their motives, skills, competencies, prior knowledge and experiences that defined them as well as shed light on who they are as well as why and how they do, what they do.

To appreciate the effect of the pandemic on the investigated social enterprises and how the participants have dealt with it, two further Covid related questions were added to the interview protocol. The suggestion to include these came during the annual PhD progress review meeting. These questions capture the most recent incidents of dealing with unexpected events within the overarching management of uncertainty, a key aspect of both lean start-up as well as effectuation. The answers to these questions provide the most up-to-date and relevant evidence on one of the principal themes of this inquiry.

Fourteen participants, who were interviewed after the Annual Review meeting were asked 23 (21 original + 2 Covid related) questions. Nine participants who were interviewed before



the Annual Review meeting were requested to answer two more Covid related questions via email. Their responses were subsequently added to the interview transcripts.

#### 4.2. Organisation of chapter

This chapter is organised in the following way (Table 4.1 shows the structure). First, the summary information on research participants (section 4.2) and their motives (section 4.3) to take to social entrepreneurship are provided for the reader to position this analysis in its relevant human context. In section 4.5, information on the beneficiaries of their efforts is provided. In 4.6 the social issues that they are addressing are discussed. After this, the evidence and analysis of various aspects of lean-effectual behaviour are presented.

*Table 4.1: Chapter 4 structure*

Section	Content	Purpose
4.1	Introduction	-
4.2	Information on research participants	Understanding the research subjects
4.3	Participant motives	Understanding the drivers of social value creation
4.4	Analysis of Maslow's hierarchy of needs	Positioning participant motives within a relevant analytical framework
4.5	Information on beneficiaries	Understanding targets of social value creation
4.6	Social issues addressed	Nature of social value creation
4.7	Sources of seed capital	Evidence on the bird in hand principle (effectuation)
4.8	Financial planning	Evidence on the affordable loss principle (effectuation)
4.9	Funding sources	Evidence on the bird in hand principle (effectuation)
4.10	Resource mobilisation	Understanding the magnitude of participant success
4.11	Partnerships	Evidence on crazy quilt principle (effectuation)
4.12	Initial product or service	Evidence on MVP (lean start-up)
4.13	Customer feedback	Evidence on validated learning and innovation accounting (lean start-up)
4.14	Management of uncertainty	Evidence on the lemonade principle (effectuation) and entrepreneurship is management principle (lean start-up )
4.15	Post-start-up behaviour	Evidence on validated learning and innovation accounting principles (lean start-up)
4.16	Unexpected events	Evidence on the lemonade principle (effectuation) and entrepreneurship is management principle (lean start-up )
4.17	Response to unexpected events	Evidence on crazy quilt principles, lemonade principles and use of non-predictive control (effectuation). Evidence on predictive control (causation)
4.18	Covid-19 effects and response	Evidence on lemonade principle (effectuation) and entrepreneurship is management principle (lean start-up )
4.19	Participant reflections on success causes	Evidence on non-lean-effectual antecedents
4.20	Future plans	Evidence on persist-pivot-perish courses of action (lean start-up)
4.21	Chapter summary	-

Section 4.7 on seed capital and early investment and Section 4.9 on Funding sources verify if their conduct is consistent with the bird in hand principle (effectuation) or not. The sections on analysis of financial planning (4.8) show if their behaviour is consistent with affordable loss principles (effectuation) and the section on resource mobilisation (4.10) captures the magnitude of school entrepreneurs' success. The analysis of the initial product or service (4.11) seeks to establish the use of MVP (lean start-up). Section 4.12 analyses the evidence of partnership formation by the participants (effectuation). This is followed by an analysis of the feedback process used by the enterprises in section 4.13 to understand whether they gather user feedback or not and if yes if they use it to improve the product. This provides evidence on validated learning and innovation accounting (lean start-up). Section 4.15 seeks to further analyse the lean start-up behaviour related to validated learning as a part of the build-measure-learn cycle (lean start-up). The next section (4.16) discusses the unexpected events that these entrepreneurs encountered and how they responded to them. This is followed by their reflections on the management of uncertainty in their enterprises (4.17). These two sections seek to analyse evidence on uncertainty management (lean start-up) and on leveraging surprises (effectuation). Section 4.18 on Covid-19 effects and actions is in the same vein as uncertainty management and leveraging surprises. However, it makes this discussion contemporary and more specific. All other unexpected events and entrepreneurs' responses that are analysed earlier differ from case to case. However, the discussion on Covid allows for positioning each entrepreneur in the same context. This makes the intra-case comparison more valid and interesting. This is followed by participant reflections on the cause of their success (4.19). This teases out potential non-lean-effectual contributors to their success and - along with dispersed evidence from the rest of their narratives - answers the second research question. Section 4.20 on future plans analyses the prospects of the continued success of participants. The attempt here is to understand that in the 'persist/pivot/perish' alternatives space, the participants are on which trajectory. Finally, in 4.21 the broad conclusions of the discussion in this chapter are presented.

### **4.3. The research participants**

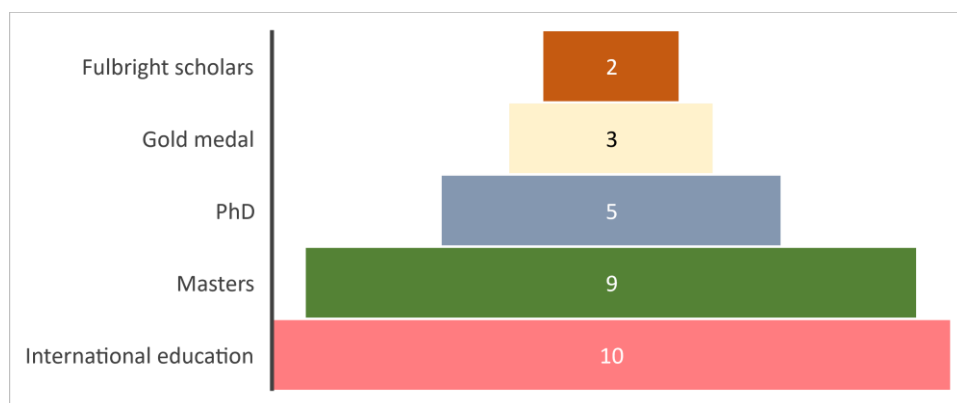
One striking feature of the women social entrepreneurs who participated in this research (Table 3.5) is their education. They are unusually highly educated, in most cases, holding at least a postgraduate degree. A significant number have doctorates and/or are educated in

the UK, the USA or Canada, often at world-renowned institutions. Figure 4.1 depicts the participant's educational attainments. Some of them have held very responsible positions in international organisations of repute and most of them come from very well-off families.

There cannot be any doubt that an overwhelming majority of participants in this research, in terms of education as well as socio-economic status, belong to the highest echelon of Indian society. That these women, most of whom have had extremely privileged lives, decided to leave their comfort zones and devote their lives to improve the lives of their underprivileged fellow citizens is perhaps the most remarkable feature of their stories. In the case of one participant who never had a chance to pursue higher education due to early marriage, an exceptional intellectual calibre is obvious in the way she has grasped the essence of a multitude of intractable problems and has ingeniously devised mechanisms to resolve them. However, this research found no discernible difference in the behaviours of participants within a lean-effectual framework whether they came from very affluent or relatively less well-off families. The difference is also not perceptible based on their education.

A recent trend in social entrepreneurship in India is that educated women are choosing social entrepreneurship as a career and premier business and technology schools are providing training and funding to encourage their social entrepreneurship. The first of these trends is also observed in the UK.<sup>36</sup>

*Figure 4.1: Participants' educational attainments*



<sup>36</sup> Levie & Hart (2011)

#### 4.4. Motives

As the relevant literature shows, individuals taking the path to social entrepreneurship are driven by a strong desire to do something good for others and reach out to those who are particularly less fortunate. For them, social entrepreneurship is not a transitory career phase but a lifelong mission and they always seek to make a lasting and deeper impact. Invariably, they are moved by the plight and helplessness of the disadvantaged and the underprivileged who remain their primary concern. This is emphatically confirmed in this research. The participants in this research, started their journeys as social entrepreneurs, for diverse and often multiple reasons (Table 4.2), within this overarching goal. Some of these inherited a long-standing yet non-effective family philanthropy and transformed it into a highly successful social enterprise principally through their personal innovativeness as discussed later in this chapter. In some cases, a traumatic event, a personal tragedy or a cluster of recurring or interrelated disturbing experiences made them 'do something about' them and make a difference. Sometimes, they stepped in when they realised that the organisations or individuals working to address some issue, which they thought needed to be resolved urgently, were ineffective because the approaches that they were using were not working or the support systems they were dependent on were inadequate. Following are the broad categorisations of motives that propelled these individuals to social entrepreneurship. Figure 4.2 shows the number of participants in each category.

##### 4.4.1. To make a difference

WSE3 was deeply dissatisfied with the quality of school education in India and started her social enterprise to change that. She said, *"I started the enterprise with the understanding that we would be able to make a difference in the school education."* WSE4, who had worked with artisans for many years observed that they were treated by the people around them and the larger society as casual labourers and made to mindlessly churn out copies of low-value handicraft items all their lives providing them little to survive. She set up her social enterprise to change this and to transform artisans into *artists*. She said, *"...artisans are creative people and their work is their cultural heritage but most of the income generation is just looking at their labour. Artisans should be creative and earn a living."* WSE7 too was moved by the poor quality of life that artisans had as they were not able to market their work at the right forums and good prices. She said about her enterprise, *"The issue that it tries to solve is to teach them*

*how to be able to participate in the market economy as equals with other service providers. It begins with designing the products, with packaging, with labelling, with how to hold inventory, how to bring it to the market, how to do accounts (and create) the kind of designs that the market demands...*" WSE8 had the same experience when she came in contact with the footwear artisans. They were exploited by the moneylenders and were not getting the appropriate price for their products which are otherwise valued high by the connoisseurs as well the general public in India. Starting with a self-help group and then a cooperative she ensured that they get a good price and live a life that they deserve. WSE9 was moved by the plight of rural artisans, particularly women and set up her social enterprise. She said, *"It is my commitment, my passion for the rural livelihood especially the craft livelihood and women's empowerment. Most of our artisans, 80% of our artisans, are women."*

When WSE10 completed her studies, she wanted to do something for society. Given her education, she could have started her private medical practice as a homoeopathic consultant. However as she wanted to do something for society, after consultation with her husband, she started a charitable clinic so that the low-income people or middle-class families can take its benefit.

WSE13, after observing the appalling living conditions in shelter homes, decided to create her social enterprise, which with the help of benevolent architects and builders, makes a transformational change in the living conditions in these shelter homes. When asked what prompted her to set her enterprise, she just said, *"...my early exposure to the problem..."*

WSE15, while working with farmers saw the first-hand, devastating impact of organic cultivation on their lands leading to a decline in their earnings and livelihood. She set up her social enterprise which initiates them in inorganic farming. WSE16 moved by the lack of financial inclusion of women in India, set up her enterprise that addresses it through a range of interventions including financial literacy and education. She informed, *"...we felt there were no creative ways of promoting financial inclusion for women."* WSE18 said *"... when I moved back to India, I was just curious to see with nearly three million NGOs<sup>37</sup>, the government and foundations, everyone attempting to do their best, why is it that our country still had so many*

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<sup>37</sup> Non-government organisations. NGO is the term which is used in India to designate an organisation for which the conventional term in the UK is 'not-for-profit'

*social issues...*” She, therefore, set up a social enterprise which links a large number of social enterprises to one another to strengthen the social enterprise movement in India and makes each of them more effective.

*Table 4.2: Triggers to social entrepreneurship*

<b>Participant</b>	<b>Trigger to social entrepreneurship</b>
WSE1	Personal education
WSE2	Inheritance of a long-standing yet non-effective family philanthropy
WSE3	Desire to make a difference
WSE4	Desire to make a difference
WSE5	Personal setbacks and tragedies
WSE6	Inheritance of a long-standing yet non-effective family philanthropy
WSE7	Desire to make a difference
WSE8	Desire to make a difference
WSE9	Desire to make a difference
WSE10	Desire to make a difference
WSE11	Innovation
WSE12	Personal setbacks and tragedies
WSE13	Desire to make a difference
WSE14	Personal education
WSE15	Desire to make a difference
WSE16	Desire to make a difference
WSE17	Personal education
WSE18	Desire to make a difference
WSE19	Desire to make a difference
WSE20	Desire to make a difference
WSE21	Desire to make a difference
WSE22	Desire to make a difference
WSE23	Personal setbacks

WSE19 started natural wellness education with her friend after they realised that “...*there is a lot of need for natural wellness education because with every passing generation, health seems to be deteriorating and there are more incidences of allergies, infectious diseases, autoimmune diseases. A lot of them can be healed by just following a natural diet and awareness of how to eat, what to eat, how to prepare food and what kind of lifestyle to lead.*”

WSE20 was similarly disturbed by the fact that being poor in India means there is no possibility of expressing oneself. *She said, “... teaching low-income community classroom... one of the starkest differences that I saw between how I grew up as a child and how the kids I taught were growing up ...”* WSE21 too did this for women’s empowerment, through self-employment. *She informed, “I always wanted women to experience a change in their social status and for them to become economic partners in development. Considering this, I started this institution. It was a unique institution in the country because no other institution was focussing on women’s economic development activities and so I started with this.”*

WSE22 who provides affordable healthy meals to school children said, “... on the streets if you look at it, there are still so many children who do not have food. The basic minimum need of any human being is food and nutrition... even that is missing for millions of people across the world. It struck me that why should I not do something about it.”

The first proposition of this research based on the above evidence is as follows.

*Proposition 1: A strong desire to make a difference in the lives of others is a key motive for a woman to start a social enterprise.*

#### 4.4.2. Inheritance of a long-standing yet non-effective family philanthropy

WSE2<sup>38</sup> inherited her father's charity that ran a school in her ancestor's village which was idle and as she said was 'bleeding money'. She with her innovative solutions made it functional and profitable as discussed in detail below. Now the school is running at full capacity and the products that the schoolgirls' elder sisters and mothers are making is sold on Amazon. WSE6, who has devoted her life to the well-being of people in a village, as well as another large community of tribals, was given complete control of her husband's well-endowed, yet dormant charity. This happened after she shared with him her vision of how she thought the charity's hospital should run. She translated her vision through dedication and hard work. Today, her social enterprise is transforming the lives of a thousand villagers and a much larger tribal community numbering over two hundred thousand.

#### 4.4.3. Personal setbacks and tragedies

WSE5 started an organisation for women's safety and subsequently a school for girls that inculcates gender awareness training, after the tragic murder of her cousin by her in-laws which they passed off as suicide. WSE12 whose terminally ill husband died after a prolonged stay in hospitals experienced that the doctors treating him never shared with her his true condition. She said, “*Unfortunately, everything failed and I lost him. That day I realised the problem of common people.*” Within days of losing her husband, she started a social enterprise that helps people access information on their health and that of their loved ones. WSE23, who had taken a maternity break in her career, was shocked to know that this was considered a shortcoming when she tried to find a job after this break. She realised that

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<sup>38</sup> Participants are identified as WSE1, WSE2 and so on and their enterprises are identified as SE1, SE2 and so on for anonymisation.

organisations are looking at women professionals in a very different way, causing many women to drop off their career paths very soon. She then started her enterprise as she believes *"...that women needed a platform to be represented and a lot of underrepresented talent pools needed a voice."*

#### 4.4.4. Personal education

Some of the entrepreneurs got the idea or inspiration for their social enterprise during their formal education. WSE14 informed about it, *"Through my PhD study, I realised how digital technology can make education policies and education processes get better. ...The issue that my enterprise tries to solve is access to quality learning for students at the school level and above."* Whereas WSE17 shared this. *"In 2014, when I was still a college student, we were participating in Global Learning XPrize competition. From 2015 to 2017 I was participating in this competition part-time. When we had finally lost the competition, we realised that we should just have had one focus and that is when I resigned from my job and consequently my other teammates also resigned from their jobs and we started this enterprise. We do this now full time."*

WSE1 came in contact with children staying on the railway stations' night shelters for her academic project. Subsequently, encouraged by her empathetic behaviour towards them, they started making distress calls to her when they needed help. The seeds of her enterprise were sown by the urgency of such calls and the fact that all of these were late in the night. She said, *"...each time, I had to rush out to take these children to hospitals, police stations, shelters, anywhere to get help, I realised that I could not respond to the hundreds of children who needed help."*

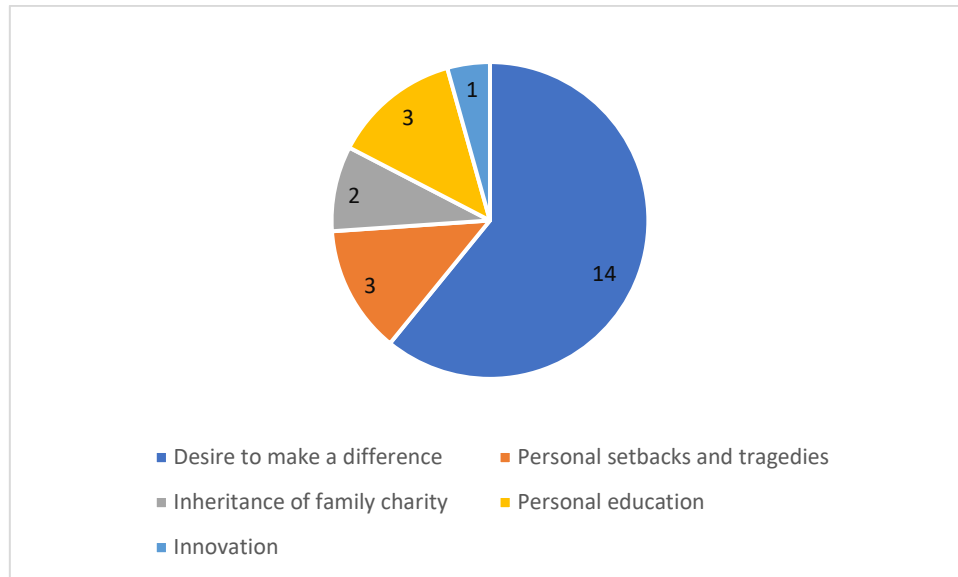
#### 4.4.5. Innovation

There is considerable evidence of an innovative approach to problem-solving in the behaviours of all participants in this research. However, only one of these became a social entrepreneur principally due to an innovation. Her husband had invented an inexpensive water-harvesting device. It had immense value for many communities including poor farmers. However, when her husband and she were trying to spread its adoption amongst the potential beneficiaries, they realised that a social enterprise would be the best mechanism through



which they could optimise its potential. This led to the formation of her very successful social enterprise and her initiation into social entrepreneurship.

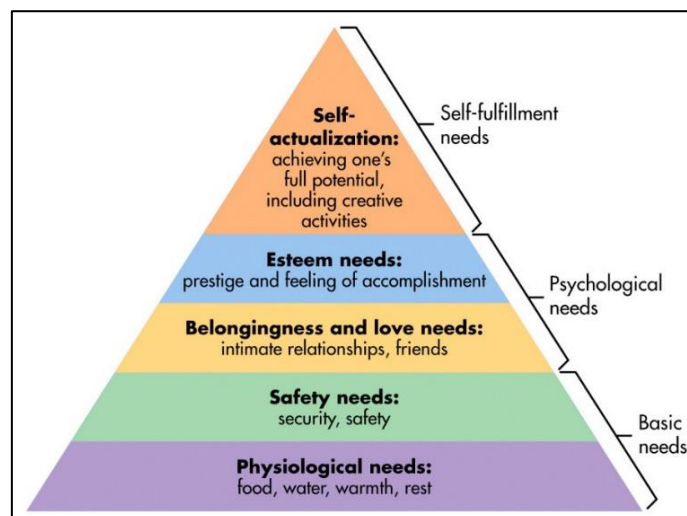
Figure 4.2: Triggers to social entrepreneurship



#### 4.5. Maslow's hierarchy of needs

Analysing the motives of these social entrepreneurs in terms of Maslow's well-known hierarchy of needs (Figure 4.3), it seems that all but one of them were able to satisfy all their lower-order needs due to their personal or familial economic standing when they started these enterprises. Therefore, their attempt to start these enterprises could be construed to be the satisfaction of the higher-ordered human needs, such as esteem and self-actualisation.

Figure 4.3: Participant motives vis-à-vis Maslow's hierarchy of needs



Source: McLeod, S. (2007). Maslow's hierarchy of needs. *Simply psychology*, 1, 1-8.

This brings into a sharper focus the case of WSE12, an outlier amongst the participants, in terms of her personal circumstances. Due to an early marriage with a terminally ill person, she was denied education and after her husband's death had none of the financial securities that the other participants enjoyed. Using the only legacy that her husband had left for their child's education, within days of his death, in an extraordinary act of courage and altruistic fortitude, she started a social enterprise and has never looked back. It seems that without waiting to fully satisfy her lower-order needs, she went straight for self-actualisation through social entrepreneurship. However, such an interpretation of her conduct is perhaps not fair to her as well as to other participants. It may also not be an appropriate application of Maslow's hierarchy of needs. As stated above, all participants in this research exude a strong sense of urgency to do something good for others. However, to think that they are driven to do so to satisfy one of their own needs, no matter of what order, seems to belittle the profound selflessness of their work. Maslow's analysis of human motives is based on the premise that whatever we do, including what we do for others, ultimately is done to satisfy our own needs. This appears to be too narrow a perception of the human spirit. Having spoken to the participants at length and having been touched by the indescribable intensity of their devotion to their causes that they so passionately articulated, the author is not inclined to believe that their contributions can be reduced to the acts of mere self-actualisation. The more persuasive thought is that we often do things for others purely to satisfy others' needs independently of our own. WSE12 fits very well into this alternative narrative. The rest of the participants, too, if we see them beyond their high education and financial self-sufficiency, purely as human beings, fit in it equally well.

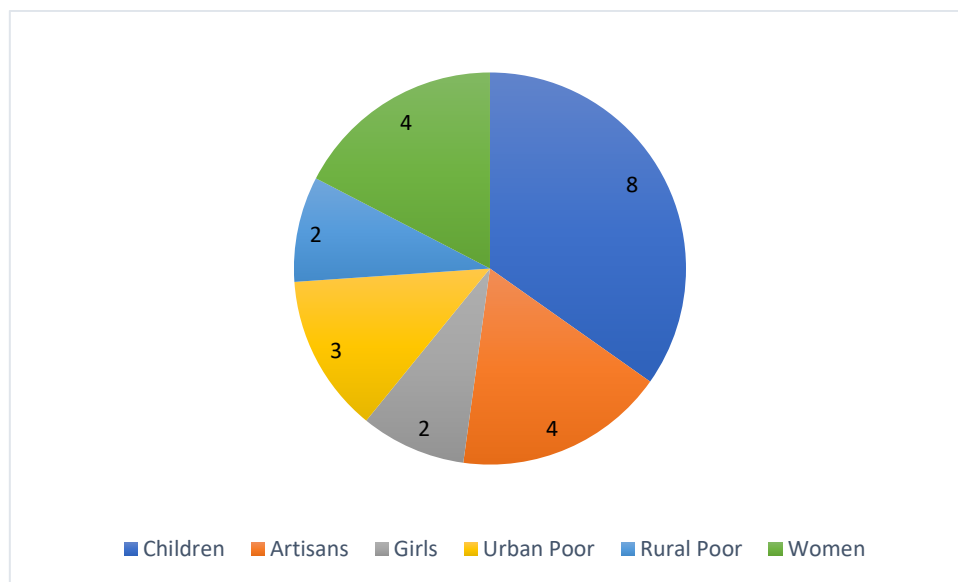
#### **4.6. Beneficiaries**

The beneficiaries of the efforts of entrepreneurs interviewed for this research include street children and children in shelter homes; poor women and the girls; textile, footwear, embroidery and other artisans; small and marginal farmers; urban migrants and rural poor. The intervention that these social entrepreneurs use to help individuals in these groups is often education, invariably identified in scholarly research as the most influential social transformer. Depending on the needs of target customers and the entrepreneur's abilities and resource base, the other interventions include nutrition, health care and general wellbeing, paid or self-employment, targeted information, emergency assistance, marketing

support, rainwater harvesting, access to safe drinking water, affordable finance and food security.

There is also an obvious and visible pattern of continuous expansion and intensification of support provided to the beneficiaries. The entrepreneurs who have been in the field for a long time have, by now, made a transformational change in the lives of the whole communities often exceeding tens of thousands of individuals by providing a comprehensive raft of interventions touching virtually every aspect of their beneficiaries' lives. Figure 4.4 shows the number of enterprises by the beneficiary categories.

Figure 4.4: Social Enterprise beneficiaries



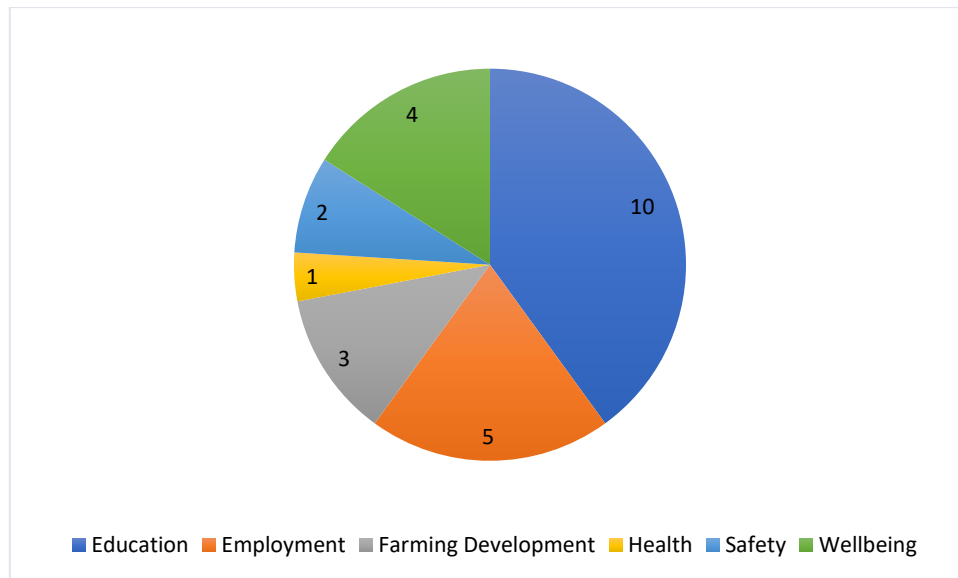
#### 4.7. Social issues addressed

As shown in Figure 4.5, these entrepreneurs address a myriad of social issues. For instance, WSE1 has persuaded the Government of India to create a toll-free helpline that street children can use to access emergency services if they feel unsafe. It can also be used by any other alert citizen who wishes to report that a child is in immediate danger. It has now been scaled up to all large cities in India as well as made available in many other countries. It is amongst the most impact making social initiatives to emerge from India as the current beneficiaries run into hundreds of millions of young people around the world.

A key issue that has been addressed directly or indirectly by these entrepreneurs is the lack of access to quality education to the disadvantaged groups such as girls, rural poor and artisans. Here the emphasis is on *quality* of education and the attempt is to go beyond just

creating a passive infrastructure and hoping that the beneficiaries will come and use the provision. There is a clear attempt to ensure that the obstacles that prevent people from these groups to access education, as well as the compulsions that make them leave it unfinished, too are addressed comprehensively.

Figure 4.5: Social enterprise focus



The most relevant example of this approach is WSE2. Her father, after his return to India at the end of a very rewarding career as a senior executive in the USA, had set up a charity in his ancestral village. The charity had established a school for girls that provided free education, meals, books, and all other materials needed by the students. Despite having invested significant resources, the school was not a success and very few local girls were enrolling, notwithstanding the seemingly zero cost of education and enormous potential benefits. When WSE2 joined the charity and investigated the cause of the lack of beneficiary interest in the provision, she realised that the ostensible zero cost of education to the beneficiaries was not really zero. She recognised that typical parents in poor rural households in India consider it their primary responsibility to make their daughters marriageable and save enough money to organise their marriage by the time they reach the age of 18. The girls' attendance in school interferes with this at two levels. One, they miss out on learning skills deemed necessary for a housewife and two, these girls work on farms and their parents save their earnings to be used for their marriage. Without getting into the profound gender bias inherent in this thinking, WSE2 created a thoughtful and ingenious mechanism to nullify its impact. Though what she did is simple and straightforward, it is a ground-breaking initiative

and a great social innovation. Beyond providing free education, meals and books, the enterprise now pays the girls, money equivalent to their per day potential earning from the farm work which she misses because of school attendance. The money goes into the girl's personal bank account and cannot be withdrawn until she turns 18. She still gets paid if her absence from school is due to unavoidable reasons such as illness. Further, while at school, apart from academics, she also completes a set of chores, not daily but regularly enough, to acquire the necessary home management skills. In this way, education is cleverly positioned within the daily routines of these girls' lives and a full package of interventions is made available that not only wholly addresses key parental aspirations for their daughters, but also provides quality education.

Using conciliation rather than confrontation, she has used these clever mechanisms to buy-in parental support and provided to the larger world an alternate model that achieves remarkable gender balance in education in rural India. However, the intervention goes beyond these ingenious provisions. The enterprise also has a manufacturing unit in the village, which employs women only and produces the handcrafted items marketed to business corporations through its outlet in the national capital that the entrepreneur runs personally. The unit employs women, often from the families of the girl students, who missed out on education when they were young. This increases the overall family income and thereby reduces rural to urban migration, which has adverse consequences both for the men working in cities in appalling living conditions and the family left out in the village, rendered incomplete and often unsafe. The surplus generated by the manufacturing unit is ploughed back into expanding the education provision for the girl child.

With such meticulous attention to the wellbeing of the entire family, while keeping the girl at the centre, the outcome has been spectacular. In one of the online events recently organised by the enterprise, the author learnt that every single girl who took the school finishing exam in 2020, passed with a distinction grade and will be heading for a large city in South India to start university education. The enterprise has organised this, again, at no cost to the girls or their families.

Hundreds of thousands of girls in other parts of rural India, born in the same year and the same circumstances as these girls, would work on farms, remain illiterate and spend lives in drudgery, ignorance and near-total lack of independence. In contrast, these girls, touched by

this social enterprise, will go on to live very fulfilling lives as highly educated, confident and independent women. This dramatic contrast in the fortunes of the girls touched and not touched by this enterprise puts the magnitude of this transformation in perspective.

The other education-centric social entrepreneurs include WSE3, who works to improve the quality of education in the schools, WSE5, whose educational provision for rural boys and girls includes gender balance awareness and WSE14, who provides quality education to the rural children through her digital learning platform. In another example, WSE4, through an intervention, perhaps the one of its kind in the world, has changed the lives of traditional craft artisans in a remote part of India. These artisans had been churning out, for hundreds of years, generation after generation, the same hand-crafted designs that they had learnt from their ancestors. These were bought in bulk by the middlemen who paid them a pittance and treated them as nothing more than casual labourers. WSE4 educated the artisans in contemporary art and design as well as in modern business management, accounting and the English language. More importantly, she encouraged them to perceive themselves as artists rather than labourers and rethink, reinvent and reposition their conventional craft as contemporary art. Many of them are now well-established artists, have their own websites, sell their work as pieces of art rather than dime-a-dozen handicraft items and are leading a life unimaginable only a few years ago.

WSE8, similarly, transformed a community of footwear artisans. The men in the community were trapped in drinking and debt by the wily moneylenders, living as virtual slaves, handing over all their output of backbreaking labour to moneylenders at throwaway prices. Her intervention transformed the community into a prosperous cooperative of proud artisans who now export all their produce to the USA at very remunerative prices, participate every year in an international trade fair in Germany and have invested so well in their children's education that the second generation is almost entirely college-educated with many employed in highly regarded professions. WSE7 and WSE9 too, have enterprises geared towards artisans' wellbeing. WSE7 exhibits their work at international fairs and WSE9 markets it in India in such a way that they get a fair price.

Transformation is the word that occurs again and again in these narratives. WSE6 who took over the largely inactive charity of her husband's family that owned a group of large companies, transformed not only the charity but also an entire community of tribals, virtually

untouched by the modern civilisation, through a series of interventions, each reflecting an uncanny ability to figure out the root cause to a problem and then offer a simple, locally available, effective, comprehensive and culturally non-intrusive solution. Her works include building a dam on a river using the villagers' own labour and a huge pile of earth dug out and left out by the local government as a part of a river diversion project, to stop the annual flooding of the village. She introduced new farming and irrigation methods and systems and provides, education, health care, training and employment and taps into all relevant government programmes to ensure that the communities covered by her enterprise did not miss any government support that may have value for them. One of her other pioneering works is the introduction of Moringa fruit in the diet of the tribal community to address the widespread incidence of sickle cell disease in it. She started with a health care facility for the people suffering from this incapacitating ailment. While researching the disease, she learnt that the fruit of the Moringa tree, which is native to India, has strong anti-sickle properties<sup>39</sup>. She then organised the plantation of a large number of Moringa trees in the tribal villages and encouraged the people to make its fruit a part of their diet. As the Moringa tree is easy to plant and maintain, in due course, it become ubiquitous in the area. The consumption of its fruit was also widely embraced by the community. Over the years, this significantly reduced the incidence of the disease in the affected community. Now the fruit is available so abundantly that she has started exporting it and it has become another revenue stream for her social enterprise.

Similarly, through the initiative of WSE10, mentally challenged children from poor families not only now spend time outside their homes, but also get educated, learn employable skills, and earn their livelihood as independent individuals. In absence of her intervention, they would have spent their lives confined to homes, being considered a family responsibility, when one of the parents must live at home all the time.

Perhaps potentially the most epoch-making product is delivered by WSE11. It is a device invented by her husband and is being promoted and delivered by her social enterprise. It is an inexpensive mechanism that effectively transports the surface water to the aquifer<sup>40</sup>

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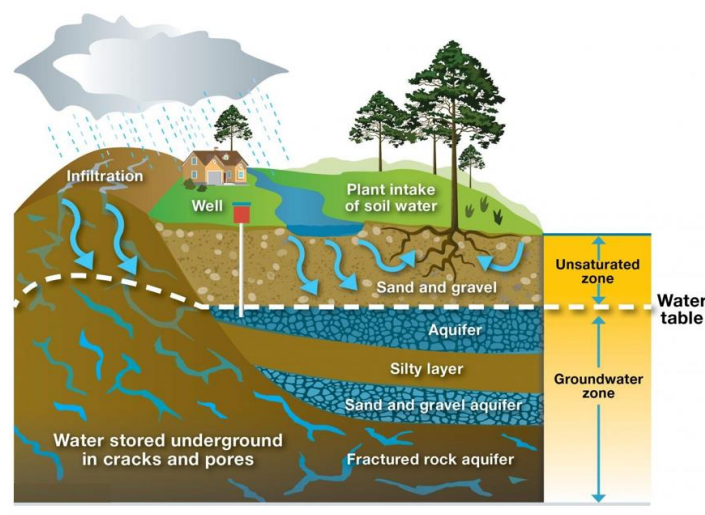
<sup>39</sup> Adejumo, Kolapo, & Folarin (2012).

<sup>40</sup> "An aquifer is a body of porous rock or sediment saturated with groundwater. Groundwater enters an aquifer as precipitation seeps through the soil." <https://www.nationalgeographic.org/encyclopedia/aquifers/>

(Figures 4.6 and 4.7). Though simple in its construction, it resolves a multitude of problems that farm and non-farm communities face in India and around the world. It reduces land salinity, increases land fertility, prevents flooding and most importantly, collects the rainwater in the aquifer, raising the groundwater table, which has been steadily falling in India. The stored water can be pumped up for use in summer when most parts of India face acute water scarcity.

Though the device is uncomplicated, for it to be effective, it needs to be adapted for each deployment based on the geohydrology of the area, something that this evolving enterprise keeps on learning and applying. The well-off customers, principally the large landowners and industrial establishments, pay the full price and the money so made is used to install it at heavily subsidised prices and often free to small farmers. The device is installed in the land which is not cultivable and so its installation has zero opportunity cost.

Figure 4.6: Aquifer

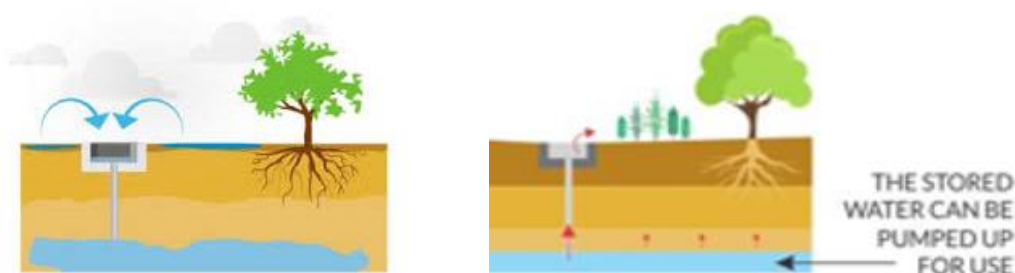


(Source: Curl & Bell, 2021)

Most importantly, in yet another example of an igneous social innovation, the rights to the accumulated groundwater, which can be easily pumped out, is given only to the women in the family. All payments for water used must be made to them directly. The fact that few women in rural India own any assets and that water is a resource even more precious in most farming communities than the land, this combination of technological innovation and social innovation reflects the profoundness of thought processes of these social entrepreneurs and how they are intelligently addressing their core concerns.



Figure 4.7: How the device works



(Source: Adapted by the author from the website of the social enterprise)

A similar approach is used by WSE8. The footwear artisans, for whose benefit she created her social enterprise, were trapped in debt by moneylenders who made them part with their produce at throwaway prices and forced them into virtual slavery and perpetual poverty. When she created a women's self-help group to liberate the men from the debt-traps she too used a similar approach. After a woman, using the money from the women's self-help group freed her husband from the shackles of a moneylender, WSE8 ensured that subsequent earnings from the sale of the family's output went into the account of the wife. Making women take control of family finance, along with a better price for their produce, ensured that the artisans never returned to debt and the children's education became a family priority.

Another example of this approach is the creation of a farmer cooperative by WSE15 with the principal thrust of weaning away the farmers from the current chemical-fertilizer-driven farming to organic farming. Given that organic produce fetches better prices, the counterintuitive and innovative idea of the social entrepreneur is that they are, in fact, much less expensive to produce. They also, recharge and enhance the land's fertility, need less water for irrigation and therefore are more financially lucrative for farmers than current inorganic methods. At the same time, they are environmentally more sustainable not only at the farm level but also beyond, as they reduce the production of chemical fertilizers and increase the biodiversity of the region. Above all, their intake is less damaging to the consumers as organic produce is known to be a health and life enhancer.

WSE23 provides employment opportunities for professional women who took a career break to raise a family. Hundreds of thousands of highly educated women in India with rich corporate experience, miss out on having a proper career, consistent with their education and experience when they take a break to start a family. Organisations are not willing to employ

them just because they had a break. This practice has many extremely adverse consequences for Indian society. A huge pool of valuable human talent remains unused, organisations have to make do with a less able talent pool and the families are unable to realise their full economic potential. Most importantly, the national aspiration of education for the girl child is rendered a hollow slogan. The consequence is that girls in India despite outperforming boys at every level of education still lag far behind in formal employment. WSE23 has been working successfully to change all this by tackling the problem from both ends. On one side, she provides recruitment services, including skill upgrade training to women who have taken a career break. On the other side, she is educating the organisations to understand the negative consequences of their current gender-biased practices for their own performance and growth.

The remarkable fact is that each story of the social enterprise covered in this research, without exception, entail ingenuity, a profound empathy for the beneficiaries, tireless hard work and unwavering commitment to a core cause. Due to reasons of space, it is not possible to articulate all of these in requisite detail. However, to portray the full diversity of their concerns, it will be pertinent to record that their work includes the following:

- Self-employment training and support for women from low-income families
- Safety of street children
- Transformational improvement in living conditions in shelter homes for children
- English literacy programmes for the students of rural and semi-urban areas through a digital platform
- Opportunities for children from disadvantaged communities to build social-emotional skills
- Quality education for the poor that develops gender equality mindsets and
- A range of initiatives from a single social entrepreneur that covers:
  - Free information on the costs and availability of health services
  - Access to safe drinking water
  - Organ transplantation
  - Prevention clinics for lifestyle diseases and
  - A university for a tribal community in one of the most inaccessible parts of India.

Other entrepreneurs are also trying to educate communities in various spheres such as eating nutritional food, adopting healthy lifestyles to prevent disease, entrepreneurship for women etc.

No matter what social problem these women are trying to solve, a key aspect of their behaviour is innovative problem-solving. This is the reason that they have achieved such success. A proposition emerging from this behaviour is as follows:

*Proposition 2: Women social entrepreneurs achieve success through innovative solutions to problems*

**4.8. Sources of seed capital and early investment (start within your means, Effectuation)**

The aim of asking a question on the sources of seed capital and early investment was, apart from understanding the entrepreneurs' financial situation in the pre-start-up stage, to know if the enterprise' work is consistent with Sarasvathy's idea of *start within your own means*. If the entrepreneur, driven by an ambitious perception of her enterprise, aiming to create a very large magnitude of service provision at the outset, ran up a debt that might be very difficult to repay, it would have been interpreted to mean that the entrepreneur did not start within her means. However, if the evidence were that of a prudent start and trying to do only as much as available resource permitted, it would have meant that the participant followed this principle and to that extent exhibited effectual conduct.

There was no evidence that any one of the investigated social enterprises was set up at the level unaffordable to the entrepreneur or the early-stage conceptualisation of these enterprises was extravagantly ambitious. In fact, WSE5 said emphatically, "*I'm not ambitious ...*" and WSE11 said, "*I think I'm a success because...I'm self-sustained.*" WSE1 set up her enterprise funded largely by the money received from the philanthropic trusts along with some family savings. WSE2 used the funds that were already with the family charity. WSE3 utilised her savings. WSE4 used the money received from her Ashoka Fellowship. WSE5 started with a meagre investment of ₹ 1500 setting up a 6-children school in her garage. WSE6 who had significant funds in the family charity still used them very prudently. WSE7, who exhibits the works of Indian craftsmen at international festivals, meticulously plans her projects, precisely within the available funds. She never needs any upfront money and none of her own money is ever used.

WSE8, who started a women’s self-help group and received a large grant from the government, was so successful and efficient from the outset that the enterprise did not need to use any grant money and eventually returned it to the government. WSE9 created an artisan’s cooperative with 4000 members each contributing ₹ 1000. To this, she added her own savings and received further funding from a social impact investor. WSE10 used the funding from the family trust and contributions from the founding members of her enterprise. WSE11 gets her money by installing her rainwater harvesting device at the farmlands of rich farmers. Her enterprise also gets money from Corporate Social Responsibility (CSR)<sup>41</sup> funds and donations. WSE12 started with the funds that she received after her husband’s death and carried out all her subsequent work using donations and CSR funds. WSE14 used her PhD scholarship as seed funding. WSE15 used her savings and money from the social enterprise incubator of a premier business school. WSE16 received her funds from a technology MNC, well-off individuals as well as a business family in the UK. WSE17 created partnerships with the organisations that benefit from her services who provided the seed capital. She also received funds from a social enterprise incubator of a premier business school.

*Table 4.3: Participant seed funding*

<b>WSE</b>	<b>Sources of seed funding</b>
1	Tata Trust and family savings
2	Family charity
3	Personal savings
4	Ashoka fellowship
5	Personal savings
6	Family charity
7	International festival organisers
8	Women’s self-help group
9	Artisan’s cooperative and personal savings
10	Family charity and contributions from the founding members
11	Personal savings
12	Husband’s bequest
13	Donations
14	PhD scholarship
15	Personal savings and funding from social enterprise incubator
16	Donations
17	User partnerships
18	Founder of an Indian technology MNC
19	Personal and cofounder’s savings,
20	Crowdfunding and social enterprise incubator
21	The Government of India and multinational agencies
22	Crowdfunding
23	Family funding

<sup>41</sup> More details on CSR and relevant Indian law are on page 117

WSE18 had early funding from one of the founders of a technology MNC in India as well as from a very well-endowed international foundation. However, her focus was on generating revenue from the outset which she was able to do successfully and did not need any further money. WSE19 too, after starting small, using her and her cofounder's savings, started generating early revenues. WSE20 received funds through crowdfunding, from a social enterprise incubator, incubators at some US universities and CSR funding. WSE21 received funding from the government of India and other multinational agencies. WSE22 received initial cash through crowdfunding. Her focus was to generate revenues from the outset, which she did through the sale of her affordable meals. WSE23 received money first from her mother-in-law and then from her father. She, too, generated early revenues and achieved break-even within five months.

Starting small with affordable levels of early investment, doing only as much as feasible, philanthropy and personal savings as the principal source of seed capital and a focus on generating cash very early on is the recurring theme of how these social start-ups were funded. The effectuation principle of starting within your means is very much ingrained in each of these narratives. The age of these enterprises varies between 3 years and 41 years. None of these shows any sign of impending failure or business closure due largely to prudent and efficient financial management. The effectuation principle of 'starting and managing within your own means' seems to have worked perfectly for them. Table 4.3 provides the details of seed funding used by the participants.

#### 4.9. **Financial planning** (affordable loss, *Effectuation*)

To look for evidence of behaviour consistent with the affordable loss principle of effectuation, the participants were asked how much they might have been personally affected financially if the enterprise had failed. Most of them thought the question of the enterprise failing simply did not arise. This was because either they had planned it meticulously or run it efficiently or often did both.

For instance, WSE1 replied, "...*(I) would not have failed because of financial problems because I always do a certain amount of financial modelling...good financial planning, plan A, plan B, plan C...*" WSE7 started with her own savings as well as contributions from the artisans and managed it through careful planning. She said, "*I was very conscious that other than me no*

*one was going to take responsibility for the loss. If the project did not go through and the product that I was setting out was not successful I could not have taken that amount from the artisans because they are very poor so it would be on me and my reputation. I was, therefore, doing meticulous planning and trying to take every unforeseeable risk into account before committing anything.”*

WSE23 who helps women professionals who had taken a career break similarly said, “...I had a very robust financial planning from the beginning by way of reducing expenses, by way of putting aside money on a very regular basis to manage tough times and I'm very happy to tell you that even during this Covid scenario where many businesses have shut down and lots of jobs have had to be cut, we, are still doing well and are in the play because we've had very solid financial planning right from the beginning...” WSE11, too thought that question of financial failure does not apply to her enterprise. She said, “...It is difficult to answer because we are profitable. We are self-sustained since 2015 and it is 2019. We are now on the scaling-up stage...”

From their responses, it was also obvious that had their social enterprises not worked, the financial impact on their lives would have been minimal, in most cases zero or ironically, even positive. In fact, given their education and abilities, the financial consequence of enterprise shutting down would be, in all likelihood, positive, if the founders were to return to employment in the private sector. That is why most of them said that if the enterprise were to shut down the people who would have been truly affected would be the beneficiaries of these enterprises. For instance, WSE4 said, “...if the school had not succeeded, I guess it would not have impacted me that much but definitely would have impacted the artisans because all of our graduates have had clear financial benefits.”

There are further reasons for the lack of adverse financial impact on the founders in case of social enterprise failure. Most women behind these enterprises are married and have spouses who are equally highly educated and are holding well-paying jobs. There is an opportunity cost of these women's involvement in social enterprises on family finances, in the form of bygone earnings from paid employment. Therefore, the negative financial impact on the family is not in the form of the aftermath of the closure of their social enterprises but rather in their continuation. However, for all women interviewed for this research, this was a deliberate choice they had made. Many left a financially lucrative occupation or employment

as a conscious choice, driven by a strong desire to do something better and reach out to vulnerable or disenfranchised people who needed their support. Some of the younger social entrepreneurs, after finishing education, never joined paid employment notwithstanding the pay cap on executive remuneration in the third sector in India, again because their principal drive was not money but to make a difference in the lives of others. Further, as most of these women belong to the higher socio-economic strata of Indian society, due to their family assets or spousal or parental income, whether the enterprise continues to run or closes down has no debilitating personal monetary effect on them. As WSE2 said, “...my husband is the earning member of the family, so bankruptcy is not a situation because he manages some expenses...” and WSE14 informed, “... I have enough savings and I have invested very well in my education so I think that is a bigger fallback option.”

#### 4.10. **Funding sources** (start within your means, *effectuation*)

Using the classic social enterprise model, many social enterprises that provide education or related services charge relatively better-off users the market price and create a surplus. Health service providers similarly charge differential fees based on paying capacity and cross-subsidise their services to the poor. To SE11<sup>42</sup>, too, the rich and medium farmers and large businesses pay the full price of its water-harvesting device, which helps to provide the same to less affluent farmers.

The source of revenue for SE10 is the commission from the international festivals. For SE8, it is the sale of footwear that the artisans make. WSE14 earns money by franchising her digital learning platform in rural areas. She also provides it to non-profits and charges a fee and has a profit-sharing arrangement with the teachers who use her platform. WSE17, similarly, partners with vernacular medium private schools who pay her for the use of her online English learning platform as well as with educated village youths who use it for teaching on a fee-sharing basis. WSE18 organises art and wellbeing workshops for higher-income audiences as well as for business corporations. For WSE19, the sources of revenue are workshops, corporate webinars as well the sale of healing products. WSE21 receives money through grant-in-aid government programmes as well as fee-driven training programmes. WSE22 provides healthy meals to students for which the schools pay.

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<sup>42</sup> SE indicates the Social Enterprise, SE1 is the enterprise of WSE1, SE2 is the enterprise of WSE2 and so on.

Table 3.174: The diversity of funding sources

WSE	Funding sources				
1	Family	Tata Trust	Govt. of India	International Donations	
2	Family Charity	Commercial Sale			
3	Savings	Tata Trust	State Government		
4	Local Trust	Ashoka Fellowship	UNESCO	Crowdfunding	Commercial Sale
5	Savings	Family	Govt. of India	Cross-Subsidisation	
6	Family Charity	UNICEF	Cross-Subsidisation		
7	Project Commissions				
8	Commercial Sale				
9	Savings	Family & Friends	Social Impact Investment	Commercial Sales	
10	Family Charity	Trusties' Contribution	CSR		
11	Donations	CSR	Cross-Subsidisation		
12	Savings	Donations	CSR		
13	Donations	CSR			
14	Scholarship	Incubation Funding	International Funding		
15	Savings	HDFC	CSR	Commercial Sales	
16	HDFC	The Gates Foundation	Donations	Clark's Shoe Family	
17	Profit Sharing	CSR			
18	Donations	The Gates Foundation	Commercial Sale		
19	Savings	Corporate Webinars	Commercial Sale		
20	Family & Friends	UnLtd India	CSR	Crowdfunding	Incubation Funding
21	Government of India Institutions		International Organisations		
22	Savings	Crowdfunding	Commercial Sale		
23	Family Funds	Commercial Sale			

For WSE22, the source of revenue is her recruitment services which are free for women who use them for which the recruiting companies pay. She also conducts revenue-generating training programmes, workshops, webinars, events and conferences and provides diversity and inclusion consulting. Full funding details are in Table 4.4.

A remarkable diversity is observed in the sources of funding of these enterprises. Given their keenness to help their beneficiaries as much as they can, they try and raise resources from wherever they can. This funding diversity also ensures that if one funding stream dries up or is temporarily blocked, their work continues uninterrupted. Given that their work is so crucial for so many people dependent on them, this is absolutely essential. Their success as social entrepreneurs seems to stem from this. A proposition that emerges from this analysis is as follows:

*Proposition 3: Successful women social entrepreneurs have significant diversity in their sources of funding.*



#### 4.11. Resource mobilisation (magnitude of success)

Though most of the studied social enterprises are started and managed by a single person, the volume of money that they have generated for their beneficiaries is substantial. Those who started more recently or whose work is limited to smaller geography have naturally mobilised less and have a comparatively smaller social footprint. However, those running for longer periods and who have expanded to multiple locations have raised substantial sums. For instance, SE1's annual budget is now ₹ 220 Crores<sup>43</sup> {£ 880 million in purchasing power parity<sup>44</sup> (PPP)}. Table 4.5 lists the approximate budgets of studied social enterprises at the time of data collection.

Table 4.5: Social enterprise budget

WSE	Annual Budget in ₹	Annual Budget PPP £	WSE	Annual Budget in ₹	Annual Budget PPP £
1	220 Crore	880 million	13	2 Crore	8 million
2	2 Crore	8 million	14	15 Lac	0.6 million
3	1.5 Crore	6 million	15	60 Lac	2.4 million
4	80 Lac <sup>45</sup>	3.2 million	16	3.7 Crore	15 million
5	1.4 Crore	5.6 million	17	20 Lac	0.8 million
6	20 Crore	80 million	18	5 Crore	20 million
7	Variable	50 to 200 thousand	19	None	-
8	Data not available	-	20	2 Crore	8 million
9	3 Crore	12 million	21	Data not available	-
10	Data not available	-	22	40 Lac	3.2 million
11	1 Crore	4 million	23	Data not available	-
12	15 Crore	60 million			

#### 4.12. Partnerships (form partnerships, *Effectuation*)

One key principle of effectuation is forming partnerships. As Sarasvathy visualises it, by building mutually beneficial partnerships, a new enterprise can address the issue of its low initial resource base and ensure its survival and growth by leveraging these relationships. All of the social enterprises, barring two (SE5 and SE21) covered in this research, have formed partnerships with customers and/or suppliers as well as government and non-government agencies. This shows strong evidence of an effectual approach to start-up. As the question on partnership was very broad, involving both formal or informal and with customers, suppliers

<sup>43</sup> An Indian unit of numbers, equals 10 million

<sup>44</sup> Based on, 1 \$ = 07 £ = 18 ₹, (OECD, 2018) <https://data.oecd.org/conversion/purchasing-power-parities-ppp>

<sup>45</sup> An Indian unit of numbers, equals 0.1 million

or competitors, the fact that two entrepreneurs, WSE5 and WSE21, reported none, meant a total absence of effectual conduct by them on this specific count.

The largest social enterprise covered by this research both in terms of the number of beneficiaries as well as resource mobilisation is SE1. It also has the most elaborate network of partnerships including a formal partnership framework document. This suggests that within the social entrepreneurship space, more partnerships may translate into greater impact and in that sense, this research provides evidence of effectuation-led success in social enterprises.

The nature of partnerships that the participating entrepreneurs reported are varied and are based on their specific goals. For instance, SE1, partners with private and public organisations that exist (or are willing to work) for the protection and care of children. Whereas SE2 did not have any partnerships in the first five years, it now has it with vendors to ensure an adequate volume of the confirmed sale of its products. SE3 has it with the government and suppliers and SE6 with customers who are its main stakeholders. WSE7's whole work is based on partnership. She has it with the craftsmen, the commissioning agency, the festivals, the museums and the galleries. She said, *"...whoever gives me the work are the partners and this is a temporary partnership until the whole project is delivered."*

WSE8 has an informal partnership with a business in the USA that buys 100% output of artisans that she supports. For WSE9, all supported artisans are formal partners in the company. WSE10 has a partnership with her trustees, board members and donors and also treats the parents of children who use her services as partners. WSE11 has a formal partnership with two agencies for documentation and publications as well as has contractual agreements with the franchisees. WSE12 has a formal partnership with commercial suppliers. WSE13 has it with builders and architects who renovate shelter homes for her social enterprise. WSE14 too has formal contracts with customers. WSE15 collaborates with a social enterprise that delivers similar services in other parts of India as well as with many state governments. WSE16 partners with many rural self-help groups. WSE17 collaborates with Zoom and Bigbluebutton for her online teaching platform. WSE18 has ties with other social enterprises as well as the Tata Trust. WSE19 has many informal partnerships and collaborations, but none that are formal. WSE20 has several partnerships with other social enterprises as well as with the government. WSE21 said that she did not have a partnership

as such but has very good networking with the stakeholders with whom she works. WSE22 has a formal MoU<sup>46</sup> with the schools that her enterprise serves. WSE23 has several partnerships with customers as well as with a multinational organisation based in New York. Only WSE5 and WSE21 reported no partnership. WSE21 said, “*We do not have a partnership as such...*”

The totality of evidence on partnerships is, thus, considerable and there is significant support to the conclusion that women social entrepreneurs in India behave in line with this effectuation principle. The evidence that 20 women social entrepreneurs in this research have partnerships with stakeholders and 19 of these have formal partnerships gives rise to another testable proposition.

*Proposition 4: To successfully serve a social cause, women social entrepreneurs form formal partnerships with stakeholders.*

#### 4.13. **Initial product or service** (MVP, *Lean startup*)

Interview questions on the initial product or service were included in this research to understand the nature of service provision at the start-up stage to know if it was consistent with the Minimum Viable Product (MVP) conceptualisation in Ries’ lean start-up approach. Here too, the responses provided near unequivocal evidence of the MVP approach at inception. Most of the social entrepreneurs covered in this research started with a simpler version of their products or services that they revised and upgraded subsequently. As stated earlier, many participants provided education or education linked services. Other offerings included ‘an experimental limited-service provision for children in distress’ ‘basic design education for artisans’, ‘handcrafted and hand-embroidered garments and home furnishings’, ‘homoeopathic medicine shop and clinic along with a low-cost yoga centre’ ‘a water harvesting product’, ‘small low-interest loans for women to build toilets’, ‘financial literacy training for women’, ‘CSR advisory’, ‘a webinar for women’s hormonal health and fertility, ‘workshops for children from low-income communities, ‘entrepreneurship training for man and women’ ‘affordable meals’ and ‘recruitment service for professional women.’ With two exceptions (WSE7 and WSE8), these products and services changed with time as more experience accumulated, driven principally by the user feedback, typical for a lean start-up.

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<sup>46</sup> Memorandum of Understanding

When asked if their initial product or service had changed over time all, barring two (WSE7 and WSE8), reported significant improvements and modifications introduced subsequently. For instance, WSE1 said that her service “...now operates in all Indian cities with a population of more than 10 million and provides a comprehensive range of services for the vulnerable children...”. WSE3 said about her initial service that, “...it has grown. It has developed...” WSE4, similarly said, “...we grew it from design and as the years went on, I improved the curriculum. I saw how more could be added, how it could be more effective. So, it has always evolved and I am always thinking about how to make it better...” WSE11 said, “...our product evolved with a time and still the process is continuing.” WSE23 said, “The initial product did not have all the features that were required to create the impact that we wanted with regard to our beneficiaries...today, the product that we offer is very different from what we started with.”

WSE13, the only entrepreneur to use the word MVP in this conversation, said, “... now we have designs where the countertops are all stainless steel a lot like you see in restaurants and hotels where you can move it. With stainless steel, it becomes easy to clean and if you can move it away from the walls, the entire kitchen becomes washable. Just two, three buckets of water and you can clean the entire space. So, we have improved that design to make sure that the spaces are even more cleanable and even more hygienic than in our first MVP. That is the evolution that has taken place.” WSE14 similarly informed, “The initial product actually was a bit less upgraded. Now the product is getting updated much better so we have a plan for having AI<sup>47</sup> and all that but the product actually to reach its best potential to serve its customers will be after we receive our series A where we need to technologically upgrade the product.”

WSE7 was one of two exceptional cases where the initial product never changed as she said about it that “...it had all the features that are available now.” “Same product and service continue.” Whereas WSE8 said, “...it was already an existing product. Our focus was on ensuring that they get a better price... our focus was on price or not on product improvement.”

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<sup>47</sup> Artificial intelligence

#### 4.14. **Customer feedback** (validated learning, *Lean startup*)

An important thing to highlight in the context of taking customer feedback is that a social enterprise needs feedback from two groups of entities. One, from the beneficiaries of their services and two, from their commercial customers. Most social enterprises covered in this research sell a product or service to paying commercial customers and use the money so generated to produce and provide a service to their beneficiaries. Taking regular feedback from each and modifying and upgrading the product or service based on it are at the core of the lean start-up approach. Five questions were asked to capture the full gamut of possibilities starting from, if the feedback was taken at all, to its use in product revisions. The evidence on this lean start-up behaviour is overwhelming with all enterprises, except one, taking feedback regularly and using it for product/service development. The periodicity of feedback varies from once a year to daily. In many cases where the enterprise also sells specific products, it is often after-sale feedback. For instance, WSE2 takes it on nearly 70% of items sold.

Only WSE8 does not take customer feedback. Her initiative was not aimed at making the product more attractive or acceptable to the customers as the product is already hugely popular. Her objective was to ensure that the artisans who make it get a better price and thereby become better off. She knew that they did not get the right price, not because the product needed improvement or it did not have a large enough market. It was because the moneylenders were forcing the artisans to give away their produce at throwaway prices. Her intervention was focused on releasing them from the clutches of moneylenders and finding the buyers who will pay a remunerative price. Once it has been achieved, there has been no need to take any customer feedback. The artisans using their own creativity and market savvy came out with product improvements and new designs. Now their entire output is picked by a single buyer in the USA, who pays them a price that other artisans in India can never hope to get. With such a result, there has never been any need to take feedback either from their sole buyer or the end-users in the USA.

The mediums used to collect feedback vary based both on the type of the product/service and the individuals from whom it is collected. Table 4.6 provides the details and nature and frequency of feedback taken by the participants. All those who take feedback use it to improve their products/services. A testable proposition that emerges from this analysis is as follows:

*Proposition 5: Social enterprises that regularly seek and act on customer feedback have more successful product or service offerings.*

*Table 4.6: Customer feedback*

<b>WSE</b>	<b>Commercial customers</b>	<b>Feedback source</b>	<b>Feedback medium</b>	<b>Record of feedback</b>	<b>Feedback frequency</b>
1	No	Beneficiaries	Meetings, events, distress calls	Oral conversations, call monitoring	Monthly
2	Yes	Customers	Feedback call	Oral	60% to 70% items sold
3	No	Beneficiaries	Face-to-face meetings feedback form	Written and oral	Annual
4	Yes	Beneficiaries	Professional evaluation	Written	Annual
5	No		Internal staff audit, social audit	Written and oral	Annual
6	Yes	Customers			
7	Yes	Both	Meetings and calls	Written and oral	End of project
8	Yes	None	-	-	
9	Yes	Customers	Post-sale discussion	Written and oral	Post-sale
10	No	Beneficiaries	Formal feedback session	Written	Every six months
11	Yes	Customers	During the field visits by ground-staff	Informal, oral	Almost daily
12	Yes	Customers	Phone calls to randomly chosen 10 to 15 customers	Oral	Post-sale
13	No	Shelter home staff	Post work visits, meetings, interviews, questionnaire	Written and oral	Quarterly
14	No	Students and teachers	Phone interviews, questionnaire	Oral and written	Monthly
15	Yes	Customers	Informal	Oral	Post-sale
16	No	Neither	Third-party review	Written	Once done
17	No	Online platform users	Face-to-face / online Video call, questionnaire	Oral and written	Quarterly
18	Yes	Customers	Phone calls	Oral	Quarterly
19	Yes	Beneficiaries	Feedback form	Written	Post-workshop/ webinar
20	Yes	Beneficiaries	Focus groups and questionnaire surveys	Both written and oral	Beginning, middle and end of year
21	No	Beneficiaries	Business start-up process	Oral	Commencement of start-up
22	Yes	Students, teachers, principals	Observations, parent-teacher meetings, google form surveys	Both written and oral	Students- daily others- quarterly
23	Yes	Customers	Telephonic interviews and questionnaire survey	Both written and oral	Annually

#### 4.15. **Management of uncertainty** (*Effectuation and Lean startup*)

*"... uncertainty is a part of doing business..."* WSE23

*"Uncertainty is the way of life."* WSE6

Both lean start-up and effectuation, emphasise the ability to manage uncertainty as the key to start-up success. To capture the nature of management of uncertainty by the social entrepreneurs who participated in this research, a direct question was asked on how they managed the uncertainty they faced as a start-up. The responses indicated, in general, a good understanding of the uncertainty involved in starting a social enterprise. However, how they managed it, differed significantly. On one end was a well-executed plan based on a great deal of thought, extensive consultation, and information seeking. On the other, it was dealing intuitively, though effectively, with the situations as they arose. They all survived the roller coaster of the new enterprise formation and continued to exist and grow. This shows that either through instinct or through a well-thought plan they all demonstrated an inherent ability to manage the uncertainty associated with the enterprise formation process.

WSE1 used *"...good financial planning, plan A, plan B, plan C..."* to successfully navigate the start-up process. WSE8 likewise did extensive planning. She said *"Anybody who thinks of business has to do a lot of homework. Whom am I going to sell? How am I to produce the product? How much? Do I use new technology or old technology? Do I go for IT marketing or not? What kind of packaging? You have to do a lot of homework on that. Then you are very sure."* WSE9 too had the same approach. She said the key is *"...developing a very good understanding of the product and the market and being very relevant in the market. Ensuring that we produce for which there is a market and get orders. Timely delivery and right quality. These are the main risks. We have to work very hard on the ground with our artisans to make sure that the products that are produced are of the right quality and on time. "*

WSE2 started with market-specific, well-designed products and used the ensuing sales experience and customer feedback to move gradually to more rewarding markets with more appropriate products, finally reaching *"the cooperate gifting and brand promotion market"*, its current and the most lucrative market. WSE3, as a part of her start-up plan, in the classic effectual mode, invested just her savings and nothing else to minimise the catastrophe of failure. WSE4, whose social enterprise set out to transform traditional craftspersons into contemporary artists, extensively consulted with them to understand their culture and

traditions to ensure that her intervention was both appropriate and acceptable and they understood the modern design as she intended. When she organised the exhibitions of her students' works, she made sure that the events were very well advertised and had a good mailing list so that the students sold their products successfully.

Like WSE3, WSE5 too started small and grew gradually. For each expansion, she waited for enough surplus to be accumulated to fund it. She said, *"...the biggest way in which we have managed the risk is by starting small, growing gradually and expanding as the need arises. ..."* In contrast, WSE6 who took over the family charity, flush with funds, started by identifying worthy beneficiaries, understanding their problems and then provided customised solutions and so she started from the other end of the process. Her approach too, therefore, was different. She said, *"We took things as they come. We did not start in a very planned manner..."* However, when unexpected events such as widespread flooding or a major earthquake occurred, her enterprise showed a remarkable ability to deal with them. She said, *"We worked in the Kutch earthquake and showed that we are very good at disaster management."* When she built new institutions from scratch, she managed the inherent uncertainty by making them self-sustaining. She said, *"We make sure that slowly and steadily whatever the project, whether it is the hospital or the vocational training centre, they all have to slowly become self-sustainable in their operational costs."*

WSE10 built and maintained a corpus fund from the very beginning to deal with any eventuality. Whereas WSE11 took formal training to understand the nitty-gritty of the start-up process specific to India, known to be a difficult place to start a new enterprise. Further, to ensure that her water-harvesting device works on each location, her team conducts a detailed study of the geo-hydrological structure at each new site, tweaks or significantly modifies the device based on the findings, to make sure that it never fails. WSE12, before starting a new initiative finds out who else is doing the same or similar thing anywhere else in the country. Then she goes there, studies it and understands it very well before starting it herself.

WSE13 focuses on putting together a competent and committed team to deal with the teething troubles. She said, *"You need to have a trusted team that will take your entity through the first few years because the first few years are going to be constant hardships, constant ups and downs. The team has to be together to be able to weather all those issues."*



The second thing for her was the funding. *“We had one or two key people who said that if you start the organisation, we will finance you for the first x number of months. Because they said that, that helped me decide what I would set up.”*

In the case of WSE18, *“...there were two things. One, we had a pretty solid funder when we first started so in some sense some of those risks were absorbed by that. Two, he also put together a fairly robust board of advisors whom I could go to, to address some of the initial challenges.”* WSE19 used the extensive consultation approach used by WSE4. She said, *“We tried to gather a lot of customer feedback, customer surveys. We went and visited everyone in the field. We went and met all leading gynaecologists in the city to suggest this webinar to their patients because if there were already undergoing treatment for fertility in the conventional medicine way, we could have supplemented it with the dieting, the lifestyle that could aid their journey.”*

WSE20 dealt with it at two levels, personally and professionally. *“...I took a good three years to be sure. Tried many smaller pilots. I tried to stay with the problem and really define it for myself that this is what I want to do and then I decided that yes, it is... Professionally, I think ever since the beginning, we have always focused on having a corpus, keeping some money aside and being resourceful.”* WSE21 learnt the process from her fellowship programme with SSE. She learnt that *“...one should not be fully established from the start. Start piloting it at a small level so that if you fail only that small level is affected and then keep changing, keep pivoting your model as you grow bigger. So, I think this was the training that I got which helped plan for uncertainties.”* WSE23 said that apart from *“... a very strong conviction that this particular service was very much needed. I had also done some amount of homework by talking to organisations, by asking them whether they wanted such a service.”*

As could be expected, not everyone managed the initial uncertainty well. WSE14 said, *“It was a learning process in the sense that uncertainty is something I do not think we really took any steps. I think as young, new school, college-level entrepreneurs, we were very, very foolish and we did not know. So, we hired the wrong people and we worked with the wrong set of organisations... then we gradually learned the business processes...”* WSE17 reported the same. She said, *“I think we did not take any steps. We are very new to entrepreneurship and we learned whatever came our way. That is how we went ahead with it. It is just that we did not give up and we just kept going.”* Both these entrepreneurs had started their social

enterprise right after completing their education. This may suggest that ability to manage uncertainty comes with experience. However, one more entrepreneur WSE13, without any previous work experience did manage it well and so it is difficult to deduce if experience allows an individual ability to manage the uncertainty well.

Taken together, evidence on effective management of uncertainty in the case of these women social entrepreneurs is quite persuasive, notwithstanding two exceptions and significant diversity in the way they achieved it. This evidence indicates two potential propositions that could be tested in future research.

*Proposition 6a: Social enterprises intuitively manage the uncertainty associated with the enterprise formation process.*

*Proposition 6b: Social enterprises manage the uncertainty associated with the enterprise formation process through a well-thought plan.*

#### 4.16. **Post startup behaviours**

A key aspect of the validated learning principle of the lean start-up process is that after starting with an MVP, the entrepreneur revises, improves and enhances the product/service as well as often reinvents her business model. This is facilitated by two factors. The constant customer feedback and enhanced resource endowment. The first tells what needs to be changed and the second makes the change possible. Successfully transitioning to this stage, reflects a demonstration of the second stage or advanced lean start-up behaviour. To capture this, participants were asked how the enterprise has changed since its inception. The response provides widespread evidence of validated learning or the second stage lean start-up conduct. The response also reinforces the exceptional and transformational success of these women as social entrepreneurs.

WSE1 started as a very small independent enterprise. Today 900 NGOs are working with it and it is now operating in every Indian city. It provides a much more comprehensive and smarter safety net for the street children in several countries than any that previously existed anywhere in the world. SE2 had sales of ₹ five lakhs from suit covers and ₹ 22000 from handicrafts when WSE2 took it over. In four years, these increased to ₹ 2 crores from suit covers and ₹ 1 crore from handicrafts. This is a 13-fold increase in the sale of the first product and a 450-fold increase in the second. Even factoring in the small baseline value, this is a staggering expansion by any account. Given that it now employs 120 women in comparison

to 23 at inception, a fivefold increase in employment, the associated increase in sales shows an astonishing increase in operational efficiency.

WSE3 who provides training to school leadership on improving the quality of education said that she started with an idea and now she has the proof of concept. She said, *"40% of the schools where it was implemented have already improved led by their own leadership and there is now confidence that it is non-intrusive...non-violent...(and) ...a very-very gentle approach."* WSE4 believes that her enterprise has now become more professional and its reach has broadened to new communities. She said, *"...we teach them (the artisans) to look at their own craft and innovate and our guys (the trainers) are really good at it. They are really good teachers and that strengthens their capability also because you learn when you teach. So, it has been growing like that."*

WSE6 started her initiative by paying a courtesy visit to the beneficiary village, sitting under a tree in the centre of the village and talking to the villagers about their day-to-day lives. Now her enterprise not only provides wide-ranging support that permeates each aspect of the life in the village, but she has also branched off to a whole new community of hundreds of remote villages populated by tribes and provides them with even more enhanced support worth ₹ 20 crores (PPP £ 80 million).

WSE7, who used to organise an exhibition of Indian crafts in countries in Europe and North America is now doing it mostly in India due to receding interest elsewhere and growing money and interest in the craft and associated traditions in India. In a way, it seems a lack of progress or regression. However, pivoting to a new strategic direction based on customer feedback is an appropriate demonstration of the second-stage lean start-up practice.

As stated earlier in significant detail, the transformation in SE8 from what it was at inception and what it is now has been breath-taking. SE9 too has grown and spread out. At inception, the enterprise had a team of just three. Now it is a team of 100. It now operates at five locations in different States. WSE10 too started with a small number of beneficiaries and few services. Both have increased significantly. WSE11's business model has been constantly evolving. It started purely as a social enterprise. It then changed to a mixed business-cum-social enterprise. The business enterprise side is driven by multiple franchises in India as well as internationally. The social enterprise side has the women climate leadership program

which is targeting a million farmers. She said, *"...we are learning and we are changing. Tomorrow also, if you ask me what the changes will be, I cannot tell you right now but if we met after 2 years then I will be able to say that this is the difference."*

WSE13 too reported significant growth. She said, *"We have definitely grown. We started with just about 100 shelter homes, now we have scaled to 250. We were four founders. Now we have a team of seven. We are continuing to hire more. Also, we have now aggregated the sector. We created a database of 100 shelter homes. If anyone now wants to work with the shelter homes, they can just ask us and we can give them access to all of them. So that is the biggest difference and change that we made in the sector itself."* WSE14 reported a similar growth and sharpened focus. She said, *"At the inception, the enterprise was very disorganised. It has now a cooperate structure. It is streamlined. Also, the enterprise is growing and it is aiming to grow into an all-women enterprise. We will be able to create ideas of how a woman-oriented environment should be especially with crèches inside the office building as well as a maternity feeding space. These things, most organisations in India do not have."* WSE15 said that she started with a dream. Now it has taken shape into something sustainable and scalable. When she started, she had 15 to 20 farmers with her. Now she has over 400.

Experience of WSE17 is a classic case of the build-measure-learn process depicted by Ries. She informed, *"The very first product we made while still working as software engineers was in-house. When we took it for field testing, the product failed. We had made something in-house in a city start-up and when we went to a rural village where there was no Internet connectivity and tried to test that out, we figured this is not how things will happen. So, in the inception, the product was very different than we have as of now. It has changed a lot because of what we have learned from the villagers, from the user behaviour, by staying with them, conducting small experiments, recording our learnings, working on the product or testing it out again, taking feedback and working more on it. This is how it has happened, so it is nowhere close to what it used to be. We, as people, have also matured a lot in these years."*

When SE18 began, it was run primarily by a team of very young, enthusiastic and committed people. Over a period, it added staff at the senior level and broadened its managerial depth. It also reinvented itself from being a consulting firm to an ecosystem builder. SE19 started

with only a B2C<sup>48</sup> model. Now it is both B2C and B2B<sup>49</sup>. It has also added a new product line which is constantly evolving. WSE20 too reported considerable organisational change and enhanced efficiency. She said, *“Things have become more streamlined. There are more processes in place. We have a really talented team now, so, things have stayed the same in terms of our vision and mission and things have changed in terms of how efficient we are. Things have also changed in terms of how much we can help make happen because of the talent that we have.”*

SE21 was started with just a part-time entrepreneurship education programme for urban people. Now it is working for rural people, tribal people and science and technical graduates to develop their entrepreneurship potential. The entrepreneur has also taken her work to 17 countries. The start-ups under her tutelage used to make stapler pins, now they even make computers. SE22 too has changed quite a bit. Soon after the start, the entrepreneur realised that the kind of model she was using, where they were tracking each student, was very challenging. She has now pivoted from a child-to-child interaction to an interaction with the school as a whole. Her awareness programmes have also been redesigned with the impact in mind to inculcate a behavioural change. Similarly, she has realised that one meal from her will not change anything and she needs to change practice to healthier eating and cooking. She is, therefore, now also working on creating women's groups and training them so that there is more impact on the ground. SE23 too has grown in size, impact and the number of customers it serves. The entrepreneur said about her enterprise, *“It has grown with regard to the terminologies we use. Now the kind of people that we attract to our organisation is very high quality and committed. They are people who really believe in the cause and because they're able to see a lot of success in this space that we are operating in, we can attract even very high-level high-profile professionals who previously would not have thought of joining us but who now believe that we can create rather unique value.”*

There is, thus, strong evidence of post-lean start-up growth and development in all the studied social enterprises. Equally importantly, that this advancement has been achieved by the classic validated learning behaviour is also obvious.

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<sup>48</sup> Business to consumer

<sup>49</sup> Business to business

#### 4.17. **Unexpected events** (*Effectuation and Lean startup*)

As explained above, the management of uncertainty is a key aspect of both effectuation and lean start-up. Some evidence on it is already presented in 4.14. Further evidence emerges from their response to the questions related to unexpected events that they might have faced and how they dealt with them. Response to two further questions related to the effect of Covid on their enterprises and how they dealt with it is given subsequently.

Given a significant variation in the length of time for which their enterprises have been functional, the events that they recollected occurred at various points in time. Some of these were specific to the enterprise and others had a wider prevalence. In some cases, these events were not adverse, a usual connotation for the word, 'unexpected'. These were surprising but favourable. For instance, for WSE4, the transformation of a whole craft community from artisans to artists in a short period and for WSE5, the remarkable growth of her enterprise despite no specific strategic planning were wholly unexpected. For WSE8 too, the enormous transformation that occurred in the lives of the footwear artisans was completely unanticipated. Needless to say, that in such cases, the subsequent question on how the entrepreneur dealt with the unexpected event becomes pointless. In one case (SE1), nothing unexpected happened and the entrepreneur, who created the most impact making enterprise in this study, breezed through the process that, barring minor hiccups, allowed her a smooth exit from the enterprise. In one other case (SE15) the entrepreneur could not recollect any unexpected event, indicating its low probability of being very adverse, as the events that affect us too badly are difficult to be forgotten.

For the rest, it was an adverse event that they remembered, often vividly. For WSE2, the difficulties faced during the early years of managing the rural manufacturing unit were unexpected. Believing that for the poor women, a decently paying employment in the village itself would be the most welcome, she was surprised to find that few women were joining the workforce and those who had joined were leaving it soon. This made it difficult for her to serve the orders from her commercial customers and raise revenue for her social enterprise. For WSE3, the sudden death of the State Chief Minister, the main patron of her enterprise, was an unexpected adverse event. For WSE6, one such event was a devastating pest infection that affected the farming community that she supports. What was even more unexpected was that though her family firm was one of the largest producers of pesticides in India, her

husband did not know what pesticide was needed to kill a specific pest. She was shocked when he said, “I know how to manufacture pesticides, I do not know how they are used.” Another event for her was when the farm animals suddenly started dying due to a mysterious ailment. WSE7 had planned an event to burn an effigy of Ravan<sup>50</sup> in New Zealand. She was surprised when told that the event will not be appreciated by the large Sri Lankan community in the country. From a Sri Lankan perspective, you cannot burn Ravan’s effigy and call it the victory of good over evil.

Table 4.7: The unexpected events

WSE	Event
<i>Neutral</i>	
1	Nothing unexpected happened
15	The entrepreneur could not recollect any unexpected event
<i>Positive</i>	
5	The remarkable growth of enterprise despite no specific strategic planning
4	Transformation of a whole craft community from artisans to artists in a short period
8	Transformation in the lives of the footwear artisans
17	Overwhelmingly positive user response; formal contract by the State Government
<i>Negative</i>	
2	Difficulties faced during the early years of managing the rural manufacturing unit
3	The sudden death of the main patron of the enterprise
6	A devastating pest infection to crops and a mysterious ailment killing farm animals
7	The knowledge that Sri Lankans do not appreciate the burning of an effigy of Ravan
9	Demonetisation in which all ₹ 500 and ₹ 1000 currency notes were cancelled overnight
	New complex goods & services tax
10	The departure of employees who started an enterprise in competition
11	New Goods & Services Tax and a new 18% transport tax
12	Floods and other diverse issues
14	Life threats, vandalism and destruction of machines by the government school teachers
16	Demonetisation
17	Covid
18	Funding crisis
19	Covid
20	Covid
21	Trainee entrepreneurs could not start businesses due to inadequate training and support
22	Covid
23	The dotcom bust (2001-2002); the subprime loan crisis (2008); the global recession (2013)

Two unexpected events had affected the whole of India in 2016. The first was demonetisation in which all ₹ 500 and ₹ 1000 currency notes were cancelled overnight. It impacted particularly the poor who often have no bank accounts or credit cards.<sup>51</sup> The other was the

<sup>50</sup> Ravana ('rɑ:vənə) was the mythical demon king of the island Lanka and the chief antagonist in the Hindu epic Ramayana and its adaptations (Wheeler, 1869).

<sup>51</sup> In 2017 there were 191 million people in India without a bank account (McCarthy, 2018).

introduction of Goods & Services Tax (GST) which badly affected businesses, especially SMEs and small traders. Amongst the participants, however, only three, WSE9, WSE11 and WSE16 mentioned these as the unexpected events that affected their social enterprises and the people they support. For WSE10, the unexpected event was the departure of some of her employees who started an enterprise in competition with hers and she had to look for other employees.

For WSE11, it was a mixed bag. The growth of her business outside India and the adoption of her water harvesting device by the National Rural Livelihood Mission and the Government of Gujarat were quite unexpected but hugely positive. The negative was GST as well as a new 18% transport tax. For WSE12, the floods in the state where she works meant practically no business for three months. For WSE13, it was the death of one of her co-founders' mother due to cancer. For WSE14, whose social enterprise provides education in rural areas through a digital platform, a big surprise and unexpected revelation were that her competitors were not the other online learning providers but the teachers in the government schools, who gave private lessons illegally in their homes, to supplement their salaries. Her smart, low-cost digital learning platform cut down their tax-free, illegitimate income. They were incensed and threatened her staff, vandalised her premises and smashed her machines.

For WSE16, it was demonetisation that caused problems for her beneficiaries. For WSE17, both good and bad unexpected events occurred. An overwhelmingly positive response from the users within the first six months of deployment of her product was good so was a formal contract with the state government. The bad event was her failure to secure a CSR partnership with some key organisations. For WSE18, it was the sudden stoppage of money from the original funder that caused massive disruption. It, along with poor cash-flow management by staff, left her with no money to pay wages.

For WSE19, it was Covid. Her enterprise had to cancel participation in organic goods markets and a fund-raising community dinner. For WSE20 too, Covid was the most unexpected. Schools suddenly stopped and her artists were not able to go in. For WSE22 too, the pandemic was a big setback. She was due to start a large kitchen to serve a thousand children every day. It did not materialise and she lost a revenue stream she badly needed. She was also expecting a grant to launch an awareness programme in schools. The grant got delayed and the schools were also unable to run the programme due to Covid. For WSE21, first, it was the below-par



performance by some of her team and then the inability of her enterprise to complete work on a government project on time. For WSE23, on three occasions her clients were badly affected by global events. The first was the dotcom bust in 2001-2002. Then the subprime loan crisis in 2008 and then the global recession in 2013. Table 4.7 lists the unexpected events reported by the participants.

#### 4.18. **Response to unexpected events** (*Effectuation and Lean startup*)

One of the entrepreneurial behaviours, under the effectuation premise, is the ability to deal with unexpected events. This involves not only emerging unscathed but also leveraging them to an advantage. Within the lean start-up approach, similar behaviour is described as effective management of uncertainty. All women social entrepreneurs in this research, who encountered adverse unexpected events, demonstrated appreciable lean-effectual credentials on this count. For instance, WSE2 was not able to meet the market demand for her products due to a lack of adequate workforce and consequent below capacity production in her rural manufacturing unit. To address it, she made a concerted attempt to understand why women were not willing to do a well-paying, locally available job. Based on what she learnt, she systematically addressed each barrier that these women faced and soon had full employment at the site. WSE3, whose work was affected by the untimely demise of the State Chief Minister, soon established an equally good rapport with the top leadership in the State Government and was able to continue and expand her provision uninterruptedly.

WSE6, to deal with the issue of a pest affecting the crops of her beneficiaries, developed a network of scientists in a nearby agricultural university and with their support, added a comprehensive pest control service to her enterprise. Similarly, she not only successfully dealt with the deadly disease that affected the cattle of her farming community by organising their vaccination, but she also set up an advanced veterinary service for them. WSE7 thoughtfully dealt with the sensitivity of the Shri Lankan community in New Zealand by removing the face of Ravan, putting it up as a display item in a local museum and burning the rest of the body in the event that was already advertised. WSE9 dealt with the adverse effect of demonetisation on the artisans by opening their bank accounts so that they can receive cashless payments online. She also hired auditors to help her finance team in filing tax returns and in grasping the intricacies of newly introduced GST.

WSE10 discussed with her board as well as remaining employees, the issue of staff leaving the organisation to set up a rival company. She made detailed revised plans, recruited fresh staff and soon resumed growth and accumulation to her corpus fund. WSE11 dealt with the unanticipated increase in her costs by the new tax by reducing her own operational costs as well as by convincing the buyers to pay 9% more for the water harvesting device. WSE12 showed flexibility and adaptability in dealing with the issues that affected her enterprise at different times. She said, *"...If anything happens, I change. Everyone wants to change the world. No one is ready to change themselves, but if I am changing myself, then I am changing the world."*

WSE14 dealt with vandalism at her premise by temporarily retreating from the affected site to shield her local worker who was a young girl. Subsequently, with support from law enforcement people as well as local administration, she restabilised her office in the village with the same person at the helm and has had no problems afterwards. WSE16 gave a generous loan repayment holiday to her beneficiaries until things normalised for them following the demonetisation.

WSE17 happened to be well-prepared for the unexpected Covid pandemic due to the enhanced value of her online learning platform to her customers in lockdown. After ensuring that all her schools and learning centres were closed and staff and students were safe, she started conducting her classes online using her existing App. Realising that this App may not be suitable for people in the rural areas, she developed a platform with another start-up, specifically for the rural market. For the people who did not have a basic smartphone and could not use her App or online platform, she partnered with a leading mobile phone service provider to secure audio calling slots specifically for this market.

WSE18 used her close relationships within her sector and was able to tide through the funding crisis fairly easily. WSE19, like WSE14, took a step back when the pandemic closed her main service. Her team brainstormed to discuss the possible steps and was able to visualise umpteen new opportunities that the pandemic had opened up. When she had tried to launch a webinar earlier, there were very few takers because people were not familiar with using online platforms. Now because of the lockdown and this being the only avenue open, more people were open to webinars. She fully exploited this new opportunity.

Table 4.8: Response to unexpected events

WSE	Event	Response	Approach	Underlying principle
2	Unable to meet market demand due to lack of workforce and below capacity production	Made effort to understand why women were not willing to do a well-paying, locally available job. Then addressed each barrier that they faced	Understand the root cause and address it	Problem-solving focus (causation)
3	The sudden death of Chief Minister, a key patron	Established an equally good rapport with top leadership in State Government	Form partnerships	Crazy quilt principle (effectuation)
6	Pest affecting beneficiaries' crops	Developed a network of scientists in a nearby agricultural university and added a comprehensive pest control service	Form partnerships	Crazy quilt principle (effectuation)
	A new deadly disease that affected cattle	Organised vaccination of cattle	Understand the root cause and address it	Problem-solving focus (causation)
7	Sensitivity of Shri Lankans to the burning of the effigy of Ravan	Removed face, put it for display in a local museum and burnt only body	Understand the root cause and address it	Problem-solving focus (causation)
9	Demonetisation	Opened bank accounts of artisans	Understand the root cause and address it	Problem-solving focus (causation)
	New complex goods & services tax (GST)	Hired auditors to help the finance team in filing tax returns and in grasping the intricacies of GST	Seek and follow expert advice	Problem-solving focus (causation)
10	Staff leaving the organisation to set up a rival company	Revised plans, recruited fresh staff	Flexibility and adaptability	Pivot (lean start-up)
11	The unexpected increase in costs by new GST	Reduced operational costs	Managerial efficiency	Problem-solving focus (causation)
		Convinced buyers to pay 9% more for water harvesting device	Leverage partnerships	Crazy quilt principle (Effectuation)
12	Diverse issues	Remained flexible and adaptable	Flexibility and adaptability	Lemonade principle (effectuation)
13	Co-founder's bereavement	Redistributed work	Flexibility and adaptability	Lemonade principle (effectuation)
14	Vandalism at site	Temporarily retreated and subsequently, with support from law enforcement as well as local administration, resumed activities at the site	Flexibility / Forming and leveraging partnerships	Lemonade and crazy quilt principles (Effectuation)
16	Demonetisation	Loan repayment holiday to her beneficiaries	Flexibility and adaptability	Lemonade principle (effectuation)
17	Covid pandemic	Transferred to online education. Developed an alternate platform for the rural market. Partnered with a mobile phone service provider to secure audio calling slots for the customers	Flexibility and adaptability / Forming and leveraging partnerships	Lemonade principle and crazy quilt principle (effectuation)

WSE	Event	Response	Approach	Underlying principle
18	Funding crisis	Used her close relationships within the sector	Leverage partnerships	Lemonade principle (effectuation)
19	Covid pandemic	Brainstormed to visualise new opportunities that pandemic had opened up.	Flexibility and adaptability	Lemonade principle (effectuation)
20	Covid pandemic	Building a strong team culture, connecting everybody to purpose and each other very well	Connecting team with the core purpose	Problem-solving focus (causation)
21	Trainee entrepreneurs could not start businesses due to inadequate training and support	Started regular Friday meetings with all her staff, to have an update on ongoing projects. In case a problem was detected, alternative faculty was sent	Understand the root cause and address it	Problem-solving focus (causation)
22	Covid pandemic	Initially, did some relief work for unemployed migrants. Subsequently, her team started many new projects linked with the core mission	Connecting team with the core purpose	Problem-solving focus (causation)
23	Global financial crises	First, equipped herself with a very good understanding of events and then addressed her team. Was open with them and asked for their support.	Connecting team with core purpose; Understand the root cause and address it	Problem-solving focus (causation)

WSE20 was ready for generic emergencies with a significant corpus fund at hand. However, for the pandemic specifically, she focussed on building a very strong culture in the team, connecting everybody to the mission of the enterprise and one another so well that even with changing roles or changing geographies or inability to meet personally, everybody came to believe that they were for one another and the mission. Investing in building that culture paid off her enterprise.

When some trainee entrepreneurs could not start their businesses due to inadequate training and support, WSE21 started regular Friday meetings with all her staff, to have an update on ongoing projects. In case a problem was detected, she sent the alternative faculty. WSE22 discussing the unexpected events that she had faced said that “...I think we have been able to manage the setback fairly well.” Initially, her enterprise did some relief work for migrants who were rendered unemployed by the pandemic. Subsequently, her team started many new projects linked with her core mission. WSE23 whose work was affected three times due to the global financial crises said that in such times, “...it is very important to communicate with the team. They should have a full understanding of what is happening. I think what the team

*wants during such times is clarity on what is happening. How it is going to affect our business and therefore, what happens to our careers. First of all, I equip myself with a very good understanding of what is happening and then I address my team. I am very open with them and I ask for their support. In case we have to have a pay cut or we have to change some of how we work, then we need the team to be fully cooperative with a full understanding of this.”*

To conclude, all participants, except one who categorised the unexpected events that they had identified as adverse, were able to deal with them successfully providing evidence of lean-effectual behaviours. Table 4.8 lists how the participants responded to the unexpected events and whether the underlying principles governing their response were effectual, causal or lean.

#### 4.19. **Covid -19: Effects and actions** (Effectuation and Lean startup)

Covid-19 pandemic ravaged public health and economies around the world. It affected everybody. However, as is always the case, it affected the poor and disadvantaged even more due to their inability to stay at home to protect themselves and still survive. Given their very nature, social enterprises, whose beneficiaries are invariably the poor, felt duty-bound to do more for them during the pandemic than what they used to do. At the same time, their ability to do so was significantly hampered as their sources of funding started to dry out by the economic fallout of the pandemic. As discussed earlier, CSR is a key avenue of funding for social enterprises in India. However, as the Government imposed a lockdown to curtail the spread of the virus, it resulted in the closure of more than one-third of the economic activities in India. This sudden cessation of work rendered most of the profit-making enterprises, unprofitable. Even if they wanted to support the cause for which they have been giving CSR money, with pandemic hitting at their very existence, these enterprises had no alternative but to focus instead on their own survival. This practically stopped all CSR funding to social enterprises in India. The other change that occurred was that the pandemic channelled the Indian philanthropic effort almost exclusively to redressing the economic and physical impact of Covid on the wellbeing of the poor. Though this was only natural and wholly appropriate, it turned away the flow of funds from causes not directly linked with Covid. These two developments did not bode well for most of the social enterprises covered by this research. However, as the details below explain, they all managed not only to survive but most of them flourished and turned this challenge into an opportunity to provide more benefits to more of their beneficiaries. This provided further evidence of both abilities to deal with unexpected

events and effective management of uncertainty and provided further evidence of their lean-effectual demeanour.

The helpline set up by WSE1 not only continued to be available and active during the pandemic, but her enterprise has also modified and adapted its working to meet the safety needs of street children during the pandemic. WSE2, like many other social entrepreneurs with manufacturing establishments, repurposed her product line to focus on items that had suddenly become scarce during the pandemic. As the work at her manufacturing unit involves sewing, she devoted her full sewing capacity to making masks and sold or gave away tens of thousands of masks. This ensured continued employment for her workforce but also enhanced, through increased earnings and its subsequent use, the social impact of her organisation. During the lockdown, millions of migrant workers returned from cities to their homes in rural India and needed to be quarantined. SE2 housed in its school, which was closed in the lockdown, all migrants who returned to the village and provided them quarantining facility as well as free meals. WSE2 also started the production of disinfectants needed to control the spread of Covid.

Despite losing her government funding, WSE3 sought and received funding from other sources and not only continued her work but also tripled it. She trained 11000 teachers, set up content development teams and delivered worksheets to 2,40,000 students. WSE4, who provides art, design and business education to artisans had to suspend classes due to the pandemic. For her, a switch to online teaching was not an option, which made it difficult for her to continue her work during the pandemic. She explained, *“How we teach is as important as what we teach, so online classes would not transform the artisan students in the same way as real-time, in-person learning. Craft is concrete and human centred. I would rather see students graduate later than complete the course on time just to have a certificate. But this means that students have lost momentum.”* After struggling with this issue for some time and following some deep thinking, she came out with a solution that she explained in these words, *“...we are reconsidering how to teach them to present virtually, through photos and videos. This material will come later in the final module, but if they can learn some basic points now it will help them. We are also trying to give additional homework assignments on material already covered as a way to review and ensure that the students don’t lose their train of*

*thought.*” Her artisan students have also risen to this challenge and have taken this pause in their education as an opportunity to work on special, often higher-value projects. They are also honing their long-distance presentation skills.

WSE10 was affected by a funding crisis as both the businesses and individuals are not able to donate as they did earlier. However as discussed earlier, she does have a corpus fund to meet emergencies, which she is using. Her centre is nonetheless shut, not for lack of funding but to safeguard her staff and students. She continues to pay her staff who now work-from-home. To deal with the effect of Covid on her activities, she has deployed a two-pronged strategy. On one side, the staff is given upgraded online teaching training. At the same time, students are given online lessons. She is also sending food and other essential items to the children under her care who are from relatively less well-off families.

WSE11 provided the most comprehensive response to Covid related questions. Her enterprise has completely repurposed itself to become an effective Covid-effect mitigation enterprise, without compromising on widening the spread of its water-harvesting device. It closed down its offices and started work-from-home for staff four days earlier than formal restrictions were imposed by the Government. On the very first day of this self-imposed lockdown, it also reorganised its workflow and team coordination. It created infrastructure systems, needed for smooth communication with teams in 12 States. It also took a number of novel initiatives.

- Started a service in collaboration with premier technology institutes in India to identify Covid related fake news and actively debunk it.
- Provided peer monitoring and peer support training for the self-help groups
- Conducted Covid awareness sessions across India through its State teams.
- Distributed personal protective equipment.
- Migrant relief

The lockdown precipitated one of the largest, urban-to-rural migrations in Indian history as millions of daily wage earners decided to return to their villages when their earnings in the cities suddenly stopped due to the lockdown. As public transport networks were shut and private transport banned, they decided to walk to their homes, with some taking journeys extending hundreds of kilometres involving weeks of walking, invariably with families with young children. Their plight, as well as their determination, became of the most moving

stories of human suffering as well as that of the human spirit during the pandemic in India.

SE11 focussed on mitigating the plights of these migrants in a variety of ways.

- A GIS-based live map was utilised for tracking the migratory populations and areas with vulnerable people
- Coordinated with local agencies to assess the needs of migrants and secured immediate relief
- Based upon the target audience's conditions and need, a 7-8-day essential items kit was prepared and distributed to 210 families
- Through her Ashoka Fellowship network, WSE11 created a mapping of services for migratory populations in India along with creating service points at the rural level
- Coordinated with local organisations for the safety and food security of the migrants.
- Started a Rebuilding India movement to double post-Covid farm incomes to alleviate the need for rural-urban migration.
- Shared knowledge on COVID-19 threat with partners in Bangladesh, Vietnam, Ghana, Zambia and Kenya
- Linked Non-resident Indians who wanted to donate with appropriate and credible grassroots organisations.

WSE12 was forced to stop the work on her rehabilitation centre due to the ceasing of CSR funding and also had to shut down her women empowerment units due to the lockdown. She found it increasingly difficult to pay wages as the pandemic progressed. She, however, continued to work and started to provide ration kits to the daily wage workers in the local area who had lost employment during this period. She also provided masks and sanitisers to bus and auto drivers and started making masks in her enterprise' tailoring units. To the local students in the remote hamlets of the area where she works, she provided TV sets with dish connections so that they can have access to education.

For WSE16, Covid-19 and the subsequent lockdown meant that her beneficiaries could not trade. Only those who had taken loans for dairy cattle were trading, as milk is an essential commodity. The others, in the sewing business, with tea and snacks kiosks as well as vegetable and fruit vendors, stopped trading. The weavers too had a huge unsold stock. To mitigate it, WSE16 gave all her loanees a three-month repayment holiday. She also keeps regular contact with them to check on their health and reiterates the need for physical distancing, mask-wearing and hand washing. Many of her poorer beneficiaries ran out of food supplies in the lockdown. To help them, she has launched a Grain Bank with the help of local self-help groups. The Bank procures, at a low cost, food and other essentials in bulk. The



beneficiaries can collect what they need from the bank and will repay in cash in easy instalments when things improve for them.

The pandemic affected WSE18 only positively. It allowed her to identify a new area of business and to create two valuable alliances. The first is a ₹ 50-crore returnable grant fund to help individual entrepreneurs get back on their feet. The second is a protector alliance to help about 500 thousand healthcare workers and sanitation workers to be more effective in the response to Covid-19. In contrast, WSE20 was badly affected as the schools were closed and the source of her income dried up. She had to shelve her plan to expand to two more cities and all her face-to-face contact programmes came to a halt. In response, she has been leveraging the capabilities of her low-tech art education platforms to reach out to vulnerable children and is taking care of their wellbeing.

WSE21 had enterprise development projects in three states. However, due to travel restrictions, she could not visit the project sites and the work stopped. Realising that there was a growing need for masks and sanitisers, she asked her entrepreneurs to make these at home and connected them to potential buyers providing them with an income of ₹ 200 to ₹ 400 per day. Sitting at home, through the internet, she showed them the designs and they made over 10000 masks every week. More than 300 self-employed individuals benefitted from this initiative.

The effect on WSE22 was largely negative as her programme is in schools that were closed. Production and distribution of her main product, the healthy meal was completely stopped. The awareness programmes in schools that she was due to start were also delayed. This was a major hit as she was expecting to generate significant revenue from this. The good thing, in a way, has been that she has partnered with other organisations and government for relief work, raised around ₹ 40 lacs to help migrant labour, providing food, hand hygiene kits, travel support etc. She, however, thinks that this is not a part of her core work. She, therefore, started online classes for women in communities to tell them how to cook healthier meals and has created women's groups for online discussions on the theme. She is also doing extensive R&D on her own products, which she plans to start in a community kitchen once things improve. She is also sending newsletters to people in her network and has a blog

through which she is sharing healthy as well as millet-based recipes. Essentially, she is doing things now for which she did not find time earlier.

Covid initially created a great deal of panic for WSE23, because she did not know what kind of effect it will have on businesses. However, she realised that though Covid had a very disastrous effect on economies, on the lives of people, on livelihoods and so on, with proper safety, with good planning, and with the ability to remain relevant, she will be able to survive this. She has moved all of her team of 80 colleagues to work-from-home mode and made it simpler and easier. For this, she has invested considerably in new telecommunication technologies. She has also begun going back to her clients to see how relevant they think her work still is. To her delight, she has found that diversity, equity and inclusion consulting are still extremely in demand and so she is focusing on its delivery. She also made an important observation in this context. She said, *"I would call it a huge blessing in disguise that pandemic has removed all the doubts, all the uncertainty which were associated with the whole work-from-home concept. A lot of our women professionals whom we represent, who have taken breaks in their career, live in the tier-2, tier-3 towns and cities of India. All of these women seek flexibility. They want jobs that offer work that they can perform from home. Previously, companies were not comfortable with the hiring of these women professionals because they were huge believers that work-from-home will not work. But what happened when Covid came was that overnight all of these organisations had to shift to a work-from-home basis. So, the bias and the blind spots which are associated with work-from-home have been negated to a large extent. I think this is a huge moment of opportunity. We are on the cusp of a big growth trajectory and therefore I expect that in five years from now we should have at least done 300% of what we're doing right now both in terms of revenue and in terms of impact."*

The above details highlight, once again, the resilience and ability of participants to overcome the difficulties to which most of their enterprises were exposed by the current global pandemic. To put in perspective the enormity of accomplishments of these entrepreneurs, it should be noted that India has been the second-worst affected country by the pandemic, after the USA. However, given its abysmal average income, widespread and deeply entrenched poverty and a near-total absence of social security, in human impact terms, India certainly is the worst Covid affected country in the world. That millions of daily-wage earners, many with young children, were forced to walk hundreds of kilometres in the scorching heat

of unforgiving Indian summer, underscored the extreme vulnerability and total helplessness of the poor in India to this calamity. Those who tried to provide, in whatever way possible, succour to such people, included the participants in this research. However, this was not a one-off effort by them to help the helpless. They exist for this very purpose. The above analysis provides evidence of a demonstration of classical, lean-effectual behaviour by the women social enterprise fraternity in India. It shows how they refused to be overrun by the rummaging train of the unexpected event of the century and repurposed and reinvented their enterprises to continue to stand for and support the poorest and the most unfortunate.

As discussed earlier, the Indian economy was amongst the worst affected by the pandemic in terms of its economic effect<sup>52</sup>. This badly affected the funding streams of social enterprises in the country. However, none of the social enterprises that participated in this research ceased activities and most enhanced them is again a testimony to the incredible resilience of the women whose work is covered in this research.

#### 4.20. **Participant reflections on the cause of their success** (non-lean-effectual antecedents)

To answer research question 2 which deals with non-lean/non-effectual behaviours that contribute to the success of women social entrepreneurs, the participants were asked what they believed was the cause of their success. As the evidence discussed above and its analysis show, the behaviours of these social entrepreneurs were very largely consistent with lean-effectual conduct. However, when they were asked what caused their success, very few of them listed any behaviour bordering a lean-effectual demeanour. The reason for this is not difficult to surmise. The individuals, whose behaviours are sought to be explained by an academic theory, are not themselves likely to articulate their conduct using the same vocabulary used by the theory's author(s). There never was, therefore, an expectation that the participants would say that they achieved success because they followed any specific principle of effectuation theory. However, given the significant dissemination of the lean start-up approach in the practitioner community, a reference to it was likely. However, it did

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<sup>52</sup> <https://www.economicsobservatory.com/how-has-covid-19-affected-indias-economy>, accessed 05/09/2021

not materialise in a majority of cases. Only one participant (WSE13) used the word 'MVP' and two others (WSE11 and WSE21) used the word 'pivot'.

Participants not only listed what caused their success also reflected on why they thought so. Many were often modest about their own contribution and apportioned credit to others. For instance, WSE2 attributed the success of her enterprise to the work that her mother is doing in the manufacturing unit of the enterprise in the village. She said that unless this unit continues to function efficiently and produces a continuous stream of output to meet the demand created by her own marketing efforts in the city, the enterprise would run out of money and would not be able to do any work whatsoever and therefore, her mother's work was central to her continued success. WSE3 ascribed it to her team and her own relentless communication of the organisation's vision to the team as well as to the other stakeholders. She said, *"...setting up of a very good team, making sure that they work really well ... constantly acknowledging that this is their programme... and making sure that the output goes for the improvement of the children's education... the constant reiteration of what is the vision, what is the purpose, why are we here...it to our own team as well as to the people with whom we interact."*

In some cases, the participants identified certain aspects of their own behaviours and personal qualities that ensured their success. For instance, WSE4 thinks it is due to her belief in her work, as well as her energy and her aptitude for relentless problem-solving. WSE5 too thinks on similar lines. Apart from her courage to take such a huge initiative, she attributes it to her problem-solving attitude. She said, *"...you see a problem, you feel not only must you understand it, but you must also find a solution and act. Secondly, ... to be always self-reflexive, ...the ability to take risks and use imagination. To be an optimist and also a leader. To be able to communicate your vision. ...(being) bold and cautious at the same time... (and) quality conscious."*

WSE6 attributes her success to her 'prudent use of money', clear evidence of effectuation. However, she credits her immense success, very modestly, not to herself but to her mentors, who helped and inspired her. She said, *"I had the passion. I wanted to work for people. It was my life's mission. It was a passion. I only had to add compassion."* She explained in detail how her mentors helped her in that. WSE8 reflected on her own qualities. She said, *"I have an entrepreneurial mind...I am not a dependent person. I have to see how to get it done...and*

*my outgoing nature. I am an ethical practitioner. If I made a mistake, I would go to the authority and say I have made this mistake. I do not know what to do. Sir, please advise me. Whenever you do something wrong you should admit to yourself instead of justifying, otherwise you will never be able to correct it.”* WSE5’s too attributes her success to her being ‘self-reflexive’

WSE9 partly attributes her success to her personality and her behaviour, partly to her team and partly to the fact that there is a growing appreciation of her kind of work. She said, *“I would say it is my commitment, my passion for the rural craft livelihood and women’s empowerment. Most of our artisans, 80% of them, are women. Second, I would say is having a good team... with passion and commitment to our success and the third is that there is growing understanding in the world and the market, of the environmental and social impact of work and the fact that the world is moving away from being profit-centred to more social and environmental concerns”.*

WSE10 attributes it to her team, her approach to solving each problem quickly and inclusively and the positive internal environment of her enterprise. WSE11 believes it is the financial independence of her enterprise which has zero debt, her own commitment to the small farm holders and certain values and principles and her leadership quality. She also attributes it to the fact that her husband, the inventor of the water harvesting device that her enterprise is spreading is an icon and a brand for the enterprise, due to which the enterprise continues to grow exponentially despite a zero-marketing budget. WSE12 simply ascribes it to her dedication and hard work.

For WSE13, it is due to her deep understanding of her beneficiaries and their problems that she is trying to solve, her credibility, her ability to raise funds and her team. WSE15 assigns it to the fact that she has created a financially sustainable and scalable enterprise and that it is driven by a creditable mission. She said, *“... the idea was that we are not looking to make money out of it for ourselves but the farmers and I will attribute a lot of our success to that because that allowed us to take a lot of decisions which otherwise, we may not have taken.”* She also attributes her success to her family and that she comes from a very supportive family of social entrepreneurs. WSE16 attributes it to an *“...ability to be in tune with the ground*

*realities and being flexible enough to make requisite changes to the processes to benefit those who have taken loans. As well, to provide information that is scientific and logical”.*

WSE18 said in this context, *“One is the ability to stay connected to social issues. Because ultimately your motivation is to be able to help people so as long as you can constantly feel empathy or need to actually make a difference. The second, I think is a very good team and a set of advisers because in some sense the other ones are co-creating the solution with you and the third is really the opportunity to innovate and make a real difference.”* WSE19 thinks that her success is due to her own adaptability and WSE20 credits it to her team. She said, *“In the social development sector space, the support of people who join you in the movement, seeking nothing else but connecting to a purpose, is so powerful and so special and so hard to get and we have gotten it abundantly. Everyone who has been associated with us, all our volunteers, have worked so hard in making things happen. I think I would definitely credit it to that.”* WSE21 attributes it to her team and her beneficiaries’ strong desire to make an independent life for themselves. For WSE22, it is due to her training in social entrepreneurship at SSE, people in her network, her own passion and the support of her family.

To summarise, the personal qualities to which the participants attribute their success as social entrepreneurs include energy, optimism, credibility, adaptability, leadership, balanced risk-taking (to be bold and cautious at the same time), quality consciousness, enterprising attitude, independence, self-reflection and a strong belief in their work as well as an unwavering commitment and passion for their missions and associated, values and principles. They think that their problem-solving skills as well as ability to communicate their vision and raise funds, too have played a role in this. They also believe that their persistent communication of the organisation’s vision to the team as well as to the other stakeholders, continuous learning, prudent use of resources, adding compassion to passion, staying connected to issues that they are trying to solve, remaining flexible and constantly feeling empathy for their beneficiaries have been crucial. They also recognise the role of their teams and their families, as well as advisors, mentors, friends and other people in their networks. Finally, they think that they have achieved success because they have created financially sustainable and scalable enterprises that have a positive work environment. They also realise that without their beneficiaries’ strong desire to improve their lives themselves, growing

understanding in the world of the social impact of their work and the fact that the world is moving away from being profit-centred to more social and environmental concerns has also created a more supportive environment for them to work and make progress.

#### 4.21. **Future plans** (perish/pivot/persist *Lean start-up*)

Participants were asked where they thought they would be as social entrepreneurs five years from now. This query was linked with persist-pivot-perish courses of action within the lean start-up approach. Having learned about their journeys so far in significant detail, it was also logical to try to understand their hopes, aspirations, and plan for the future to provide a concluding finale to their stories from a human perspective. It also aided in satisfying the ‘thick description<sup>53</sup>’ criteria of rigour in qualitative research (Table 3.6).

The five-year period was expected to provide a perspective beyond the short-term and at the same time, an opportunity for a realistic reflection as no one can accurately foresee too long in the future. The question allowed to know from amongst three lean start-up trajectories, i.e., persist-pivot-perish, where their current projects were heading. The responses provide evidence of a near-total resolve to ‘persist’.

Almost all participants have very ambitious plans and they appear to be full of hope for the future. However, in response to this question, some were philosophical, some were a bit uncertain, and three (WSE5, WSE6 and WSE8), who have been at the helm for a considerable time, had begun to contemplate the future of their enterprises after their departure. For instance, WSE5 plans to give up the day-to-day running of her organisation to her team to help other social entrepreneurs in a consultative and thought leadership role. Similarly, WSE6, who has built her social enterprise from scratch and developed, grown and expanded it over 35 years, is in the succession planning phase. Though she continues to run it, she has already recruited a professional CEO and has made a 5-year plan to ensure that she would be leaving her enterprise financially and organisationally very strong. She has created the systems and processes to ensure that after her departure the enterprise’ work will continue uninterrupted. She said “*I have come out and even then, everything is working. I am very fortunate that God*

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<sup>53</sup> Schwandt (2001)

*has given me this opportunity to see it. God is giving me an opportunity to place everything in its place. Also giving me the opportunity to walk out and see it."*

WSE8, who has already handed over the day-to-day running of her enterprise to a professional General Manager, continues to support it and now calls herself its *chief facilitator*. She said, *"I have retired but not resigned. I will take no role, no responsibility, but I am available to the organisation, in case it needs me. I get the reports on everything that is happening. Sometimes the artisans call and chat with me and the staff is in touch with me"*.

WSE1, who has already transitioned from her enterprise covered by this research to a new social impact project, just said, *"God knows where the journey takes me."* Whereas WSE15 just said, *"I don't know"*.

The rest, however, as stated above, were hoping to do - and achieve - a lot more and spoke at length on these lines. For instance, WSE2 is expanding the capacity of her rural manufacturing unit and is looking to employ 2000 women. Given that she started with a workforce of 23, four years ago and currently employs 200 women, this 10-fold expected increase not only captures the scale of her ambition but also shows the kind of exponential growth in sales she is anticipating from her marketing effort. WSE3, who provides quality improvement training to school leaders and has successfully progressed from the proof-of-concept stage to implementation, is greatly scaling up her effort and is planning to take it to nearly a hundred thousand new schools. WSE4 plans to continue to work with artisans to further develop the higher end of the art market for them. WSE7 has planned for continued growth with larger and more interesting projects for her artisans. WSE9, whose enterprise currently operates in five Indian states, thinks that in five years it would be functional in 10. Her international projects, currently mostly in Europe, will soon be in other countries in Asia, particularly, the Middle East. WSE10 is planning to expand her centre for 50 children to 200 as well as enhance her corpus fund. WSE11 believes that the spread of her water harvesting device has already crossed the tipping point and it will now grow exponentially on its own momentum. She is therefore focussing on her women climate leadership programme and hopes to make at least 10,000 women, self-sufficient.

WSE12, while expanding the reach of her existing activities, is now focussed on establishing a university in a remote area inhabited principally by a tribal community. WSE13 too, apart from expanding her work from five cities to ten and from three districts to five, plans to start



working with the government and start influencing the policy. WSE14 believes that in five years, her online education platform will be the largest in India and Asia with every rural child using it. Her enterprise will also become an all-women enterprise and she will influence the corporate culture in India to make the workplaces and processes more inclusive of women's needs and perspectives.

WSE16 thinks that her enterprise would be more organised and ready for scaling up and will leverage technology to enhance its social impact on her rural beneficiaries. WSE17 believes that her social enterprise is the only one that has a scalable model for online education in rural areas and would be the first success story in education to emerge from rural India. WSE18 is planning two things. Bringing more innovation into her current activities and emerging as an ecosystem builder. The latter will involve being more collaborative with organisations like the government and foundations and having deeper partnerships in other regions to impact at scale. WSE19 thinks that her enterprise will become known as the *go-to* brand for national wellness education. She hopes to be doing work with the government and influencing school education for young adults. WSE20 has the same thoughts of collaborating with the government and impacting education in the country. Currently, even in a very progressive state like Delhi, the art teacher-student ratio is one to 1400 with less than 20 hours of art-based learning for a child in a year. She believes that in five years her enterprise will be able to get this number change considerably. WSE21 is planning to introduce entrepreneurship education in schools in the next five years and expand her entrepreneurship training to more rural areas. She said, *"In rural areas, there are no industries. All the rural youth, who are not interested in agriculture, migrate to the urban areas and I want to stop that. If I can teach entrepreneurship in rural areas for youth and if they create their small enterprises there, they will be able to stay at home. They will be able to give employment to people in the village itself. That would be a great success that I look forward to. That is my ambition and dream."*

WSE22 plans to make her enterprise financially more independent and more influential. She said, *"...we want to stop putting our own money into this. We also want to reduce the dependence on donations as much as possible and design something which is financially sustainable and which can impact and starts giving better sales. From an impact point of view, in five years, we would be able to have at least a few communities where we can show a very*

*strong change in the eating habits of children and their parents...*” WSE23 too is expecting to significantly enhance the impact of her enterprise leveraging a unique opportunity presented by Covid.

It is obvious that the dominant narrative here is that of hope and optimism. Inspired by their success so far and encouraged by the stakeholder response, these social entrepreneurs are planning further expansion of their activities to reach out to more beneficiaries. Some of them are also thinking of enhancing their impact not just by scaling up but also by partnering with the most vital stakeholders, the governments at the state and the national level to influence the policy so that their ideas and deeds go beyond their enterprises and disseminate more widely in the society.

#### 4.22. **Chapter 4 summary**

The evidence gathered by this research confirmed quite conclusively that women social entrepreneurs in India behave predominantly in a lean-effectual manner<sup>54</sup>. Their behaviour is consistent with effectuation doctrine as they *start within their means, set affordable loss, form partnerships and leverage contingencies*. They, at the same time, also demonstrate the full gamut of lean start-up behaviours as they *start with a minimum viable product, effectively manage uncertainty, take constant customer feedback and use it for validated learning*. The lean-effectual theoretical framework postulated in this thesis, thus has been comprehensively empirically validated by this research.

However, this research has also established that women’s social entrepreneurship success is not explained by lean-effectual behaviour alone. A set of non-lean-effectual conduct, as well as distinct personal qualities, attributes and support systems, are also needed for someone to be successful as a women social entrepreneur, as detailed above. One of this research’s profound and inescapable findings is that at the core of women’s social entrepreneurial success is a selfless mindset and a deeply felt desire to do something good for those for whom ‘good’ happens very rarely if it happens at all. Unless this attitude and this aspiration exist and unless the entrepreneur is willing and able to commit herself to realise this desire, nothing else is likely to happen. All lean-effectual, as well as non-lean-effectual behaviours

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<sup>54</sup> Please see the appendix 3 and appendix 4.

and consequent social entrepreneurial success, emanate from this desire and a commitment and efforts to translate it into reality.

## 5. Discussion

### 5.1. Introduction

This research investigated the presence of behaviours consistent with effectuation (Sarasvathy, 2001a) and lean start-up (Ries, 2011), two recently proposed approaches to improve the start-up success, in the actions of women social entrepreneurs in India. For this, it examined two research questions:

1. What Lean-effectual behaviours are exhibited by successful women social entrepreneurs?
2. What behaviours that are neither lean nor effectual (non-Lean-effectual behaviours) play a role in the success of women social entrepreneurs?

Sarasvathy's focus is on the pre-start-up phase of an enterprise and her prescriptions principally involve advice on how to start an enterprise. She does not explain how to proceed further in the post-enterprise-formation phase. Ries, in contrast, does not tell how to set up a business. His counsel is focused on the early phase of post enterprise formation. The lean-effectual framework, on which this research is based, envisages the start-up process more inclusively than both of its components. It includes principles and tools that deal with, pre-start-up as well as the post-start-up phase.

The participants in this research came from different parts of India and provide a range of diverse interventions of significant value as social entrepreneurs. The data collected from interviews of 23 entrepreneurs achieved the requisite theoretical generalisation threshold for which 15+ participants were needed (Saunders & Townsend, 2016). The results establish quite conclusively that successful women social entrepreneurs use a lean-effectual approach postulated in this research.

This chapter is organised into two parts. The first set of sections (5.2 to 5.6) analyse the conflict and congruence between the findings of this research with the extant research on women's entrepreneurship, social entrepreneurship, women's social entrepreneurship, social entrepreneurship in India and value creation, five strands of literature to which it contributes. The second set of sections (5.7 and 5.8) compares the findings of this research with literature on effectuation as well as lean start-up. It also analyses the evidence of effectual and lean start-up behaviours of women social entrepreneurs in India generated by this research and explains how it answers the research questions of this study.

## 5.2. Women's entrepreneurship<sup>55</sup>

As discussed earlier, a key aspect of literature on women's entrepreneurship is the myth of 'women's entrepreneurial underperformance' (Yousafzai *et al.*, 2018) which emerged almost with the onset of research on this theme and was perpetuated and reiterated until recently. Though in this research, a comparison of the performance of men and women social entrepreneurs is not made, in absolute terms, there is no evidence of any underperformance. The participants in this research have, in many ways, done exceptionally well and continue to do so. The cases of two women (WSE2 and WSE6), who took over charities founded by the men in their families and transformed these into hugely successful social enterprises, clearly debunk women's relative entrepreneurial underperformance pseudo-thesis. By design, this research also breaks away from a long-lasting tradition in entrepreneurship research where women had faced prejudice as subjects of scholarly inquiry (Ahl, 2006).

An insight from early research on the theme that women-owned-business face discrimination (Bates, 2002) is not confirmed by this research. Neither it is seen that if women entrepreneurs confine to women's networks, the development of their ventures is constrained (Hampton, *et al.*, 2009). The participants in this research attributed their success to their families as well as to their teams. Both of these are comprised of individuals from both genders. This means that participants achieved success through their engagement with inclusive mix-gender networks. These women's entrepreneurial success is thus certainly not because they operate in men's networks.

Previous research shows that women are driven by economic considerations while choosing self-employment and the role of social variables in this decision is negligible (Saridakis, *et al.*, 2014). This is not seen in this research. Women in this study do act by economic considerations. However, social matters such as care, equality and inclusive progress are their more important concerns. Many of these have given up lucrative economic opportunities to pursue social entrepreneurship. A study from Pakistan reported that women-owned enterprises prosper only when they are allowed the freedom of movement, engage with a social network and are not restrained by their family (Roomi, 2013). The participants in this

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<sup>55</sup> In this section, the research on business entrepreneurship by women is compared with the findings of this research on women's social entrepreneurship. Some of the analysed differences may be due to a lack of complete contextual overlap.

research enjoyed free movement, engaged with social networks and had unwavering family support. This allowed them to focus on their work and achieve success in it. Their experiences are in stark contrast from those of women entrepreneurs in UAE who seek legitimisation, are driven by dissatisfaction with their social status and traverse difficult journeys in face of patriarchy and socio-economic odds to achieve success (Tlaiss, 2015). Their experience is surprisingly in contrast also with that of women entrepreneurs in the USA and Sweden, where public policy acts to *“reproduce women's secondary position in society (and) ... fail to accept...women's entrepreneurship as... an accomplishment in itself...”* (Ahl & Nelson, 2015: 274). Against this, the women covered in this research have received considerable recognition for their work and are highly regarded in Indian society for their contribution to the well-being of the marginalised communities.

Foss *et al.* (2019:424) note in their review of research on women's entrepreneurship, a persistent focus on *“identifying skills gaps in women entrepreneurs that need to be fixed”* and Henry, *et al.* (2016:217) in their review, lament the lack of research using *“in-depth qualitative methodologies”*. This research using such methodologies reports exceptional ingenuity and outstanding competencies demonstrated by women social entrepreneurs in India. It also confirms that women emphasise social value creation over economic value creation and this behaviour has been intensifying as India progresses further on its path to post-materialism as has been observed in some other countries (Hechavarría *et al.*, 2017). It also confirms through the case of WSE21 that women act as role models and actively encourage other women to become entrepreneurs (Rocha & Van Praag, 2020).

### 5.3. Social entrepreneurship

Social entrepreneurs' ability to address social, environmental and cultural issues like pollution, poverty and discrimination has been noted in previous research (Wry & York, 2017). This research disseminates a much wider range of concerns that the participants have been addressing. These include better livelihoods for farmers, health and wellness for consumers as well as artisans, sustainable farming, comprehensive rural development, rainwater harvesting, safety of street children, education and employment of girls and mentally challenged children, quality education in the schools, education for rural children and artisans, creativity, hunger redressal, healthy food habits, wellness education, quality of life

in shelter homes, financial literacy and employment for poor women and re-employment of professional women.

In line with the global trend of unprecedented growth of the social enterprise sector (Salamon & Anheier, 1999; Chell *et al.*, 2010; Teasdale, *et al.*, 2013), this research finds that India is no exception. Though there has been diversity in how social enterprises are perceived in scholarly research (Kannampuzha & Hockerts, 2019; Peredo & McLean, 2006; Short, *et al.*, 2009), it is widely believed that they invariably adapt the existing solutions to the specific local needs and discover opportunities rather than create them (González, *et al.*, 2017). This research, in contrast, finds considerable evidence of opportunity creation manifested in ground-breaking initiatives that the participants reported. For instance, there are no previous examples of the creation of a whole gamut of a network of support services for street children including a dedicated toll-free number, a school paying money to students for attending school, the transformation of artisans into artists, embedding gender education in the school curriculum, preventing land erosion through local intervention, providing ownership of family earnings exclusively to women, concurrent flood control and water harvesting, prevention health clinics, creativity education for confidence building and bringing professional women back in paid employment.

Levie & Hart (2011) report that educated people and women are more likely to be social entrepreneurs than business entrepreneurs. This research adds a new perspective to it. It discovers that women social entrepreneurs are likely to be highly educated. The participants are educated in some of the best Indian universities. Within the twenty-three participants in this research, there are five PhDs, four gold medallists and nine with masters' qualifications. Seven have studied in the USA, one in the UK and one in the UK and Canada. Two of these had Fulbright Scholarships. This is an interesting finding and needs further testing through the following propositions in future research.

*Proposition 7: Women social entrepreneurs who are successful are more likely to be highly educated.*

It has also been highlighted previously that the efficacy of human capital differs between business entrepreneurship and social entrepreneurship. The former requires specific human capital and the latter, general human capital (Rey-Martí, *et al.*, 2016). This research confirms

this as the women social entrepreneurs in this research, by and large, do not have subject-specific education in the fields in which they are active.

*Proposition 8: Social entrepreneurs do not require specific human capital.*

The extant research reports that utilising their independence from the compulsion of making a profit, social entrepreneurs often explore and realise the emancipatory role of social entrepreneurship (Chandra, 2017). This too is demonstrated by the entrepreneurs interviewed for this research. It is also observed that, unlike a business enterprise which is driven by a single money-making logic, the social enterprise is pulled by two contrasting logics of money-making and serving a social cause (Pache & Santos, 2010). As a result, they emerge as more complex organisations enacting and managing this tension and conflict (Cherrier, *et al.*, 2018). The social enterprises studied in this research do not fit this description and do not appear to be complex organisations. These are simple, in most cases one woman, organisations with a small team. Most large business organisations, purely in pursuit of profit, have much more complex organisations. However, as reported earlier, the empowerment of key stakeholders (Datta & Gailey, 2012) is a crucial element of these social enterprises that contributes to their success.

The literature reports empathy (Bacq & Alt, 2018) within an overall agreeable personality<sup>56</sup> (Bernardino, *et al.*, 2018) of social entrepreneurs. All participants in this research reflect such personality. While contemplating the factors contributing to their success, they list, “...changing passion into compassion...to make a difference...” (WSE6), “...my passion, my commitment...” (WSE9), “... constant empathy...” (WSE18), “...my passion...”(WSE22), “...addressing a problem which I felt very deeply about...”(WSE23).

Many further success factors identified in previous research (Sharir & Lerner, 2006) are also visible in the conduct of participants such as close links with their social networks, commitment, ability to form partnerships, managerial experience, the public and market acceptance of the venture idea and the composition of the venture team. However, the observation that a constant conflict between the profit and the social service goals presents

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<sup>56</sup> The agreeable people are friendly, warm, optimist, have concern for others and reflect altruism, compassion, empathy and love (Tackett, Hernández & Eisenberg, 2019)



an ethical quandary to social entrepreneurs on a daily basis (Zahra, *et al.*, 2009) is not witnessed here. The participants in this research do not give any indication that they faced such a quandary and a clear primacy of social goals over economic goals is obvious in their conduct. This further supports proposition 7 articulated earlier in section 5.2. Given the participants' socio-economic standing, qualifications and experience, almost all of them had much more lucrative options available if they wanted to pursue an economic goal than to run a social enterprise. More so as there is a pay cap in India on social entrepreneur salaries. Their entry and continuations in this field were, thus, influenced purely by their commitment to a specific social cause. They, thus, exhibited no conflict between economic and social goals.

#### 5.4. Women's social entrepreneurship

Women are more likely to start a social enterprise than a business enterprise (Hechavarría & Ingram, 2016). As a result, a key aspect of the social entrepreneurship phenomenon is a significantly smaller gender gap in most countries (Huysentruyt, 2014). The same is the case in India where 25% of social enterprises are women-led whereas there are only 10% women-owned for-profit SMEs<sup>57</sup>. A deep sense of altruism driving women's social entrepreneurial intentions is reported in previous research (Urbano, *et al.*, 2014). It is also reflected in the behaviour of participants in this research as indicated by proposition 1 in section 4.3.1. This may be the reason why they are able to achieve notable social transformation through economic efficiency while serving their beneficiaries as reported in other countries (Kimbu & Ngoasong, 2016).

A counterargument made to explain women's preference for social rather than business entrepreneurship is that it happens due to their capitulation to gender stereotyping (Greene, *et al.*, 2013) or the social dominance (Sidanius & Pratto, 1999) which suppress business entrepreneurship intentions and enhance social entrepreneurship intentions in women (Muldoon, *et al.*, 2019). This research does not find any evidence to suggest that this is the case in India. None of the Women interviewed for this research said that they decided to pursue social entrepreneurship because they thought it was the right thing to do for them as women. In none of the responses to the question as to what motivated them to take to social entrepreneurship, they gave any indication that they were trying to fit into any gender

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<sup>57</sup> <https://www.triplepundit.com/story/2021/women-social-enterprise-india/720346> accessed on 01/05/2021

stereotype. In this context, it is also reported that women social entrepreneurs who exhibit non-feminist attributes do not receive funding support (Yang, *et al.*, 2020). A direct one-to-one comparison of such experience is not possible with participants in this research as gender profiling of the participant behaviours was not undertaken. However, none of the entrepreneurs while discussing how they raised resources for their enterprise said that how they behave had any effect on their success.

That women's entrepreneurial endeavours are constrained by the cultural and social contexts within which they operate (Calas, *et al.*, 2009), too does not seem to apply to these women. India is high on power-distance and masculinity<sup>58</sup> and scores low on gender equality (World Economic Forum, 2018). Despite this, women social entrepreneurs who took part in this research do not appear to be constrained in any way. This reflects, in a way, the typical gender dichotomy of Indian society. Educated women from higher socio-economic class in India are able to lead a life as free and as self-driven as men in India. This is not the case with their poorer and less educated counterparts. However, WSE12, who was made to leave education and was married to a terminally ill person who died while she was young, not only raised a child alone but also set in motion perhaps the largest number of social initiatives reported in this research. This shows that a determined woman in India is not constrained by any social or cultural structures even if she comes from a lower socio-economic class. A proposition that emerges from this is as follows:

*Proposition 9: Gender is not a hindrance to women's success as social entrepreneurs in India*

Literature shows that women social entrepreneurs in India have done particularly well while helping and empowering women facing social problems (Ortbal, *et al.*, 2016). This is confirmed in this research as well. For instance, WSE2 and WSE5 are working for girl's education, WSE11 is working for water rights for women, WSE12 is working for women's empowerment, WSE16 is working, for micro-finance to women, WSE21 is working for women's self-employment and WSE23 is helping professional women to restart their careers after a break.

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<sup>58</sup> <https://www.hofstede-insights.com/country-comparison/India/> accessed on 02/05/2021

### 5.5. Social entrepreneurship in India

The systematicity of process reported previously through which the Indian social enterprises develop original ideas and scale up to produce significant social innovation (Bhatt & Altinay, 2013) is confirmed by this research. However, unlike previously observed (Goyal, *et al.*, 2016), the focus of these enterprises is not exclusively on the bottom of the pyramid segment, though most of their beneficiaries indeed are from this segment. Nor does the locational, cultural and social diversity of their target populations, make the delivery of a targeted service difficult for them as reported earlier (Goyal, *et al.*, 2016). There certainly is significant diversity in their client base, each individual social entrepreneur, except WSE12, however, serves a fairly uniform cohort of beneficiaries. When they are situated in different locations, the approach is to start a new branch close to clients rather than try to deliver the service remotely. Except for the enterprises that deliver their services online, all investigated social enterprises are in close proximity to their beneficiaries. At the same time, none of the challenges spotlighted by other scholars in this sector in India such as difficulties in attracting and retaining talent, scaling up, raising capital and building capacity (Haski-Leventhal & Mehra, 2016) are discovered by this research. Nor is the lack of passion, or an absence of an emotional obligation to the cause and foresightedness reported earlier (Ramani, *et al.*, 2017) are visible here.

### 5.6. Value creation

One fact that became obvious as data collection for this research commenced and progressed was that the participants in this research give social value clear precedence over economic value (Korsgaard & Anderson, 2011). The key insight that emerges from their conduct is that through their social enterprises they convert value-in exchange (economic value) into value-in-use (social value) (Smith, 1776). It has been reported that in the value creation process, value creators' knowledge, as well as cognitive and emotional skills, play a key role (Locke & Fitzpatrick, 1995) and they optimise value driven by their intrinsic motivation rather than any external coercion (Amabile, 1996). This research provides evidence to support this as the participants reflect a remarkably high knowledge of the problems that they are trying to solve. They also demonstrate exceptional cognitive and emotional skills in resolving them to maximise the value that they create. Strong personal motivation and the absence of any kind of external coercion on them too is obvious here. The behaviours of these women social

entrepreneurs are also consistent with the observation that in social entrepreneurship, the profit motive neither excludes nor negates social motive and the ability of social entrepreneurs to share social value hinges on their ability to create economic value (Acs, *et al.*, 2013).

These entrepreneurs act in the finest traditions of philanthropy, described by the ancient Indian philosophy classic, the *Bhagavad Gita* as one of the essential attributes of being human (Chapple, 2009). Two participants (WSE6 and WSE11) talk at length specifically about the influence of *Gita* on their actions as social entrepreneurs. Acs & Phillips (2002) describe the link between entrepreneurship and philanthropy as an American phenomenon. This research provides its examples in the Indian context. Two participants in this research (WSE2 and WSE6) have enhanced the impact of family philanthropies through their innovative social interventions. It is recognised in the literature that the entrepreneurs, focusing on making money when give away a part of it in philanthropy, often do not make a difference as big as the largesse, essentially due to poor targeting (Lwin, *et al.*, 2013). The participants in this research, many of whom come from affluent families, understand this and have used clever modifications and extensions to reinvent their family charities as social enterprises with a bull's-eye targeting.

A large majority of participants in this research (20/23) come from higher or higher middle-class families and barring one (WSE15) all are first-generation social entrepreneurs. They have successfully merged the 'money-making' and 'doing good' behaviours intrinsic to this role and have used innovative ideas to effectively target social issues. In this way, they very much fit Dee's (2001) conceptualisation of social entrepreneurship as the primacy of social mission, innovation and pursuit of opportunity beyond the resources currently controlled.

Though they came, in most cases, from well-off families, they all used money prudently demonstrating the classic effectuation behaviour. This conduct was deeply influenced by their commitment to their cause and a strong desire to make a difference in the lives of their beneficiaries independent of their personal economic circumstances. They were constantly aware that any money wasted would reduce their ability to help the people whom they wanted to help. This feeling was displayed by all participants no matter which economic class they belong to.

To conclude, the enterprises covered in this research, unlike in previous research on women's social entrepreneurship in India do not face a human or physical resource crunch. They address the needs of a focussed client base and do not report a recurring tension between economic and social needs. At the same time as reported in previous research, they too employ innovative approaches, demonstrate resilience and receive support from the local and foreign investors.

### 5.7. Evidence on effectuation

As highlighted earlier, the evidence in the extant literature on the use of effectuation by entrepreneurs has been mixed. After effectuation was postulated in 2001, the early post-conceptualisation support came exclusively from the works that included Sarasvathy as one of the authors (Sarasvathy & Dew 2005; Dew, *et al.*, 2008; Read, Dew *et al.*, 2009; Read, Song *et al.*, 2009). Subsequently, many other scholars also found empirical support for this doctrine (for instance, Alsos, *et al.*, 2016; Andries, *et al.*, 2013.; Evers & O'Gorman 2011; Kuechle, *et al.*, 2016; Parida, *et al.*, 2016.; Schmidt & Heidenreich, 2018; Servantie & Rispal. 2017; Villani, *et al.*, 2018; Welter & Kim, 2018). At the same time, there has been an even larger empirical non-confirmation of the effectuation thesis (Gabrielsson & Politis, 2011; Fischer & Reuber, 2011; Brettel, *et al.*, 2012; Engel, *et al.*, 2014; Maine, *et al.*, 2015; Reymen, *et al.* 2015; Engel, *et al.*, 2017; Eyana, *et al.*, 2017; Laskovaia, *et al.*, 2017; An, *et al.*, 2020; Grégoire & Cherchem, 2020). Given this equivocal nature of evidence, the premise that successful entrepreneurs use effectuation remains unproven. It should be noted that this mixed evidence principally comes from the investigation of business entrepreneurship in developed countries. One such study reports that business entrepreneurs who receive family support set up their businesses simultaneously use effectual and causal logic and have better performance (Braun & Sieger, 2021). This study of social entrepreneurs finds the same. The only study that investigated business entrepreneurship in a developing country (Eyana, *et al.*, 2017) did not find support for effectuation. At the same time, the only involving social entrepreneurship in a developing country (Servantie & Rispal; 2017) found support for it. Extending this trajectory, this research finds evidence of the use of principles of effectuation in the conduct of women social entrepreneurs in India, a developing country. It finds that their conduct reflects all effectuation principles, namely start within your means, set affordable loss, be prepared for the unexpected, form partnerships and use non-predictive control. (Appendix 3)

## 5.8. Evidence on Lean start-up

As discussed earlier, there is a paucity of academic research on lean start-up, the other construct that is used here. Despite its extensive use by practitioners, few researchers have investigated its utility from a scholarly perspective. However, those that have investigated it have all reported evidence of its value for start-ups (Burke, *et al.*, 2018, Dal Lago, *et al.*, 2016; Traube, *et al.*, 2017, Yaman *et al.*, 2017). It has also been shown that lean start-up could work for the big business as well. (Edison, *et al.*, 2015; Hampel, *et al.*, 2019; Ries & Euchner, 2013; Ries, 2017). There has also been a study, overlapping with this research, which positions the lean start-up and effectuation in a single conceptual space (Yang, *et al.*, 2019). However, the said gender-neutral study from China has a very different focus and therefore, its findings cannot be contrasted with this research. This research finds support for the use of effective management of uncertainty, the building of MVPs, constant collection of customer feedback and its use for further development of the product or service.

## 5.9. Lean-effectual construct: Findings versus framework

This research used combined lean start-up and effectuation to create a lean-effectual framework. Figure 5.1 depicts the findings of this research vis-à-vis the framework that underpins this research. The support for effectual behaviour is depicted in boxes in light blue. The support for lean start-up behaviour is shown in boxes in light pink and the lack of evidence or contrary evidence is shown in boxes in light green.

As figure 5.1 shows, this research finds evidence of behaviours related to all five principles of effectuation namely starting within means, taking manageable risks, converting unexpected events into opportunities, forming partnerships and using non-predictive control. As the evidence sheet in Appendix 3 shows on starting within means, setting affordable loss and using non-predictive controls all participants provide evidence. Whereas on converting unexpected events into opportunities and forming partnerships, it is in the case of nineteen and twenty participants respectively.

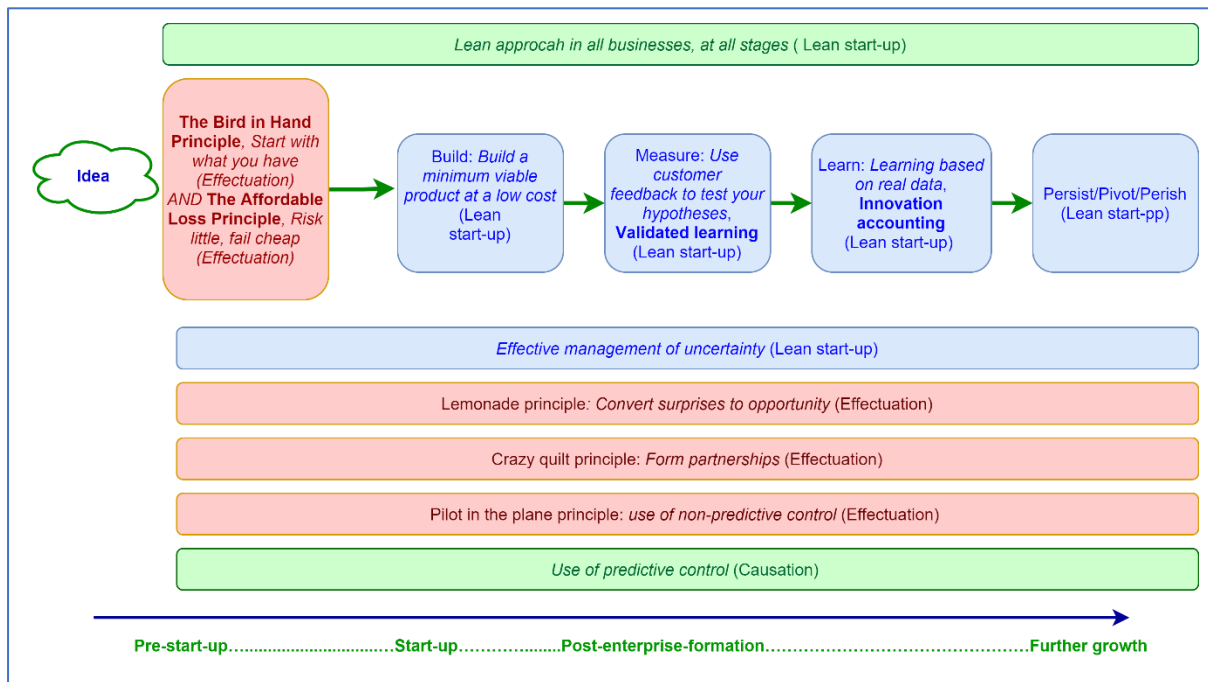
One important aspect of this evidence is that when participants dealt with unexpected events, they showed a mix of effectual and causal conduct. In other words, they used both predictive and non-predictive control as Table 4.8 shows. Within the lean start-up conceptual space, the research finds evidence (Appendix 4) of effective management of uncertainty, the building of

MVPs, constant collection of customer feedback and its use for further development of the product or service. However, the confirmation of one overarching principle, i.e., 'the use of lean approach at all stages by all businesses' is outside the scope of this research as it examines a small number of specific kinds of businesses.

The evidence on behaviours consistent with perish/pivot/persist trajectory came from the respondent response to diverse questions. These included the questions on how and why they started their enterprises, what happened during various stages of their development and where they think they would be five years from now. It was expected that if - based on their experience and/or from user feedback - their thought that their approaches were not working, they would tell if they took / will take their enterprise to a new direction (*pivot*) or abandoned / will abandon it altogether (*perish*). Only one case (WSE6) provided evidence on pivot and the rest twenty-two on persist. No enterprise in this research has perished from the time of first contact with the author until now. The participants in this research started their enterprises after having given deep thought to the root cause of the problems and how they could be resolved. The reason why most of them continued or are planning to continue on the same path is that they started their enterprises only after developing this insight. As a result, when they started their enterprises, though they often needed to tweak their approach, they never had to take an altogether different direction. This is the reason that there is so much evidence on persist and so little on the pivot. It was only in the case of WSE6 who was asked to run the family charity that was flush with funds but was benefiting nobody where the entrepreneur realised that it must take an altogether new approach to deliver value. In her long journey, she came across many problems that her family charity was trying to solve unsuccessfully using a conventional approach. She pivoted, deployed a completely new method and made a more conclusive impact.

Taken together, the evidence that participants in this research use a lean start-up approach is quite conclusive. Appendix 4 shows that 19 participants provide evidence on effective management of uncertainty, 20 on Build-Measure-Learn and 22 on validated learning as well as innovation accounting.

Figure 5.1: Findings versus framework



## Chapter 5 summary

This chapter maps the findings of this research vis-à-vis the extant research. The findings are mapped against all relevant strands of research linked with this study. These include research on women’s entrepreneurship, social entrepreneurship, women’s social entrepreneurship, social entrepreneurship in India and value and its creation. It then discusses evidence on the use of principles of effectuation as well as that of lean start-up by women social entrepreneurs studied in this research. The lean-effectual framework conceptualised for this research is then revisited in light of the findings of this research.



## 6. Conclusions

### 6.1. Introduction

This research set out to investigate the presence of lean-effectual behaviours in successful women social entrepreneurs in India. It also investigated what other behaviours played a role in their success. In other words, this was a search to identify and categorise three types of behaviours in successful women social entrepreneurs in India. The first is associated with principles of effectuation and the second is with the lean start-practice. The third included any other behaviours that contributed to their success. To collectively account for the first two kinds of conduct, the phrase 'lean-effectual' behaviour was coined and for the third, the phrase 'non-lean-effectual' is used.

As discussed in section 2.1.10, the previous empirical research reports mixed and weak evidence of effectual behaviours in entrepreneurs. More studies recounted a lack of such conduct than those that found it and so on balance, the record of effectuation in terms of empirical verification turns out to be patchy and unpersuasive. It should be noted here, however, that the extant scholarly scrutiny of effectuation is largely gender-neutral and is for business entrepreneurship. Few previous studies, in any case, have explored women's social entrepreneurship and none from the lens of the effectuation thesis. Only one gender-neutral study (Servantie & Rispal, 2017) investigated and confirmed the presence of effectuation in a social entrepreneurial space. This research is the second study on this theme. However, it is first that explores it with the women as the protagonists.

In comparison to effectuation, scholarly investigation of the lean start-up has been limited as explained in section 2.2.5. One of the reasons for this is its more recent origins. However, even if we control for the lifespan, academic interest in lean start-up is still limited compared with the one in effectuation. Though it is difficult to surmise why scholars paid less attention to lean start-up, one possible reason could be that - unlike effectuation - lean start-up was not conceived through or sprang from, an academic research process. However, whatever limited research that has occurred on lean start-up, the evidence is that it is not only a valuable start-up approach in diverse industries but is also pliable for use by large businesses. Nevertheless, no previous study has investigated its use in social entrepreneurship let alone in women's social entrepreneurship. This research has addressed this gap as well.

## 6.2. The Outcome

### 6.2.1. Answers to Research Question 1

This research found overwhelming evidence that successful women social entrepreneurs in India follow principles of both effectuation and lean start-up. As shown in the evidence sheet in Appendix 3 and 4 (also Figure 5.1) and discussed in section 5.9, a large majority of twenty-three women, who participated in this research, follow virtually every single aspect of the proposed lean-effectual conduct. Further, as the evidence sheet in Appendix 3 and 4 shows, the WSEs who do not follow a specific effectuation or a lean start-up principle are few and far between and those who do not follow most of these principles are none. When this research was started, such categorical support for the lean-effectual thesis in women's social entrepreneurial space was not anticipated. However, as often happens, forays in uncharted territories lead to discoveries that are not only useful but also novel in many respects, as is the case here.

The question one needs to ponder over is why practically every woman social entrepreneur in India seem to take a lean-effectual path. Is it because they are women or because they are social entrepreneurs or because they are operating in India? Only further research can confirm or reject each of these three conjectures. However, based on sporadic evidence scattered in a myriad of contexts, it seems that being women and operating in a social entrepreneurial space in India may have influenced this outcome.

If we consider, for instance, the effectuation principles linked with the prudent use of money such as starting with your means and setting affordable loss, it is known that women, in general, use money more prudently than men (Lim, Teo & Loo, 2003; Rutterford & Maltby, 2006). Further, if one wishes to do as much as possible for as many beneficiaries as possible, one must not waste money. A true social entrepreneur, therefore, ought to use money prudently (Zhang & Swanson, 2013) and finally, in a poor and resource-starved country (such as India), an average person usually handles money with greater care than what people in more affluent countries do (Hanlon, 2004). This is also one of the implications of the theory of diminishing marginal utility (Marshall, 1890). Similarly, women are known to act more collaboratively (Brahnam, *et al.*, 2005) and therefore, are likely to form partnerships, a marker of effectuation. Women entrepreneurs are also more customer-focussed (Hunt & Ortiz-Hunt,

2018) and thus are expected to follow a lean start-up path. It has also been reported that women entrepreneurs in developing countries are able to effectively deal with unexpected events (Chea, 2021; Ranabahu & Barrett, 2018) portraying a lean-effectual behaviour.

However, such secondary evidence, though good for building hypotheses, is not adequate to conclude that this indeed is the case. As has been alluded to above and elaborated further in the future research directions section below, in-depth and specific research is needed to infer this conclusively.

#### 6.2.2. Answers to Research question 2

This research discovered that women's social entrepreneurship success is not explained by lean-effectual behaviour alone. A number of non-lean-effectual demeanours, along with some unique individual qualities and traits, also play a role in the process. The most important finding is that an altruistic attitude and a strong desire to do help the underprivileged and the disenfranchised is crucial to act in this role. All lean-effectual, as well as non-lean-effectual actions and subsequent social entrepreneurial success, originate from this urge and a commitment and endeavours to convert it into reality.

### 6.3. Contributions

#### 6.3.1. Conceptual contribution: Lean-effectual framework

This research contributes both at a conceptual level as well as at an empirical one. It identifies the complementarity in effectuation and lean start-up approaches and makes a conceptual case for combining them to improve the success prospects of start-ups. It also explains precisely how it can be done. Sarasvathy, in her effectuation thesis, based on an analysis of the methods and approaches that are used by very successful entrepreneurs, crystallises five principles that could facilitate the successful setting up of a business. These principles are, start within your means, set affordable loss, be prepared for the unexpected, form partnerships and use non-predictive control. One limitation of Sarasvathy's advice, identified in this research, is that her approach is focussed on the successful setting up of the enterprise, it does not specify what needs to be done so that the enterprise so established would also survive and grow. Here Eric Ries' advice becomes pertinent and valuable. His prescriptions overlap some of the aforementioned recommendations that Sarasvathy has given. For instance, his advice on effective management of uncertainty is parallel to Sarasvathy's

counsel on converting unexpected events into opportunities and his idea of MVP is akin to Sarasvathy's notion of 'start within your means'. However, his post-enterprise-formation advice crucially goes beyond effectuation. His suggestion here is to constantly use customer feedback to test your hypotheses about the product, the market and the competition, keep an accurate and updated record of effects of refinements to the minimum viable product and most importantly if any one of your key hypotheses is proved wrong, pivot to a new strategic direction.

This research, identified for the first time, the complementarity in effectuation and lean start-up. It envisaged the value for entrepreneurs in combining these two approaches so that following Sarasvathy the enterprises are successfully established and following Ries, they also survive and grow. The first contribution of this research is thus in the creation of a lean-effectual framework that combines two artefacts of significant value for the practice of entrepreneurship.

### 6.3.2. Empirical contributions

#### 6.3.2.1. Lean-effectual behaviours

Empirically, this research showed that the entrepreneurs whose behaviour reflect a fusion of these two ideas are indeed successfully active in the social entrepreneurial space. The participants in this research used all five principles of effectuation. They started within their means, took manageable risks, converted unexpected events into opportunities, formed partnerships and used non-predictive control. At the same time, they also effectively managed uncertainty, built MVPs, took continuous customer feedback and used it to further develop their products or services. This way this research not only proposed but also tested and validated a novel conceptual framework that it had presented.

#### 6.3.2.2. Women's entrepreneurship

The other field to which this research contributes empirically is women's entrepreneurship. Envisaged as a study of high performing women entrepreneurs, it goes beyond the 'women's-entrepreneurial-underperformance-pseudo-thesis' debate. In the process, it responds to Ahl's (2006:595) call to *"... capture...richer aspects of women's entrepreneurship..."*. It showcases women entrepreneurs' ability *"...to construct new meaning in life (and to)...build... new future...for themselves and...for those they serve..."* (Chandra, 2017:657-8). It reports

evidence of women entrepreneurs' ability to understand the root cause of intractable social problems and address them efficiently and conclusively, forming productive partnerships and connecting their team with the core purpose of the enterprise. This research also demonstrates that at the core of women's social entrepreneurial success is a selfless mindset and a deeply felt desire to do something good for those for whom 'good' happens very rarely. It also shows an unwavering commitment and ability to realise this desire. Finally, it shows that these women's lean-effectual, as well as non-lean-effectual behaviours and consequent social entrepreneurial success, emanate from this desire and efforts to translate it into reality.

#### 6.3.2.3. Women's social entrepreneurship

Given that there is hardly any research on women's social entrepreneurship, this research emerges as one of the few empirical studies in this genre. The research is also contextually unique as there is only one other study (Datta & Gailey, 2012) of women's social entrepreneurship in India. It contributes to this literature by analysing behaviours, principally, of highly educated women who took to social entrepreneurship driven by a strong altruistic attitude. Their behaviour reflects a classic effectual demeanour and involves *starting within their means, setting affordable loss, forming productive partnerships and turning contingencies into opportunities*. They, at the same time, also *build a minimum viable product, effectively manage uncertainty, take constant customer feedback* and use it for *the validated learning* to modify their products or services in congruence with lean start-up practice. This research thus shows that successful women social entrepreneurs exhibit lean-effectual conduct. At the same time, it also shows that the success of women social entrepreneurs is not explained by lean-effectual behaviours alone. Most importantly it discovers the concurrent evidence of causation with a problem-solving focus manifested in their ability to understand the root cause of a problem and address it. It also reports a strong passion for the cause, support from the family as well as from a team equally dedicated to the cause and diversity of funding sources, amongst the non-lean-effectual antecedents of successful social entrepreneurship.

## 6.4. Recommendations

### 6.4.1. For women social entrepreneurs

For budding women social entrepreneurs in India, and other similar resource-poor developing countries, there are a number of learnings from the findings and implications of this research. Adopting a lean-effectual demeanour is its core message. This means starting small within your means with a minimum viable product or service. Until a commensurate and consistent revenue stream emerges, keeping the cost low to set an affordable loss and forming productive partnerships with customers, service users, suppliers and even competitors. At the same time, constantly improving the service as well as the business model through regular customer feedback. Being flexible and converting unexpected challenges into opportunities is another requisite. However, they should set up a social enterprise only if they have a passion for the cause and if they have or can create a team of like-minded people who are equally committed to the cause. Seeking funding from diverse sources and taking advantage of the proliferation of social impact investors around the world too is a path to success. Gaining support from family is another crucial antecedent to success.

### 6.4.2. For governments and policymakers in India and other developing countries

This research underscores the immense value of social entrepreneurship for India as a mechanism to address its vast economic and social deprivation in the backdrop of the limits to the ability of its government to address it effectively. It also shows that the path to social entrepreneurial success, particularly for women is through a lean-effectual approach. A part of this approach is forming and leveraging partnerships. Key learning from this research is that though social enterprises can make a considerable impact within their circle of influence, to scale up and make a nationwide impact they are crucially dependent on government support. For instance, WSE1 was able to ensure the safety of millions of street children in India only because of her formal partnership with the Government of India. This facilitated provision of a toll-free number that instantly links children in danger across the country with support agencies round the clock. Similarly, WSE3 could scale up her services to over 2,40,000 students across a state in Western India only because of the support of the state government.

At the same time, extant literature also highlights the inability of the governments to fully grasp the complexities of people's problems from a grass-roots perspective and provide effective and appropriate relief (Darbas, 2003). Social enterprises emerge as crucial allies that can help governments overcome this. One of the important steps in this direction by the Government of India is making it mandatory for businesses that have a turnover of over £50,000 to spend 2% of their profits on a social cause. This research shows that many participants in this research have benefitted from this. If this were to be emulated by all developing countries, it would make a big difference in reducing social deprivation around the world. Further, in most countries, several support programmes are in place to help the weaker sections of society. However, the intended beneficiaries often are unaware of these and are unable to take their full advantage (Banerjee & Duflo, 2011). This research finds that social entrepreneurs can effectively help them in this. For instance, WSE6 taps into all relevant government programmes to ensure that the communities covered by her enterprise did not miss any government support that may have value for them. Similarly, WSE8 was able to secure a large grant from the government for the women's self-help group that she had started. Two further women social entrepreneurs covered in this research (WSE21 and WSE17), were able to secure state government funding for their enterprise under the existing schemes. Government in India and other developing countries can have formal systems and processes where a social enterprise working for a cause can directly receive funding intended for their beneficiaries with appropriate checks and balances.

#### **6.5. Limitations**

Being qualitative, explorative and interpretive in nature, this research has certain limitations associated with this genre. Driven by language rather than numbers and based on interviews rather than a survey, the data that this research has generated is textual and not numeric. It is, therefore, not amenable to the kind of analysis consistent with the rigour criteria of statistical research.

Further, the number of individuals that are interviewed is relatively small. The absence of generalisability is, therefore, an issue with this research as is with all qualitative interpretive research. Based on the findings of this research coming out of information from twenty-three women social entrepreneurs in India, it cannot be said conclusively that all women social entrepreneurs in India use a lean-effectual approach. However, producing such an outcome

is never the purpose of qualitative research. As explicated in the methodology chapter, the aim of this research was not to achieve a statistical generalisation but a theoretical inference that Hammersley (1992:91) articulated as “...claims that can be derived from the study of a single (or more) case(s) which exemplifies a type...” This was achieved in this research. The claim derived in this research that women social entrepreneurs in India use a lean-effectual approach do exemplify a type. To say that this research has drawn a valid theoretical inference, this claim should be verifiable (Williams, 2000). By conducting a similar study, it can be easily verified if other women social entrepreneurs in India use a lean-effectual approach. This research has thus achieved its goal of theoretical inference. Further, as explained earlier, this research has also achieved its goal of theoretical generalisation by analysing 15+ cases of women social entrepreneurs through purposive sampling (Saunders & Townsend, 2016). The information on which the findings of this research are based comes from a single women social entrepreneur from each studied social enterprise. There are, however, many more stakeholders in these social enterprises. In some cases, there are more than one entrepreneur as well as other members of the team who run these enterprises. A limitation of this research is that it reflects an individual’s perception of the work of an organisation. It is possible that others involved in the operations of these enterprises may have a different perception which is not captured by this research. The beneficiaries of these enterprises, as the targets of social value creation, would also have views on how well they are delivering their services. A more complete study would have collected information from them as well.

Another limitation of an interpretive study like this is that the researcher builds her knowledge from what she is told by the participants. Twenty-three narratives that form the basis of the findings of this research spring essentially from the responses that were received from the participants. Though it was possible to triangulate many factual details, for instance, the location, the social cause, key people, beneficiaries, the age of the social enterprise etc. from the publicly available information, more substantive information such as their behaviours and motives was based purely on what they said.

One more limitation of this research is the lack of controls and consequent lack of ‘beyond-the-type-inference’. For instance, it cannot be inferred from this as to how the men’s and women’s lean-effectual approaches to social entrepreneurship differ. Similarly, it cannot be



concluded, in what ways the lean-effectual behaviours of women business entrepreneurs differ from those of women social entrepreneurs and finally, if the use of a lean-effectual behaviour is unique to women social entrepreneurs in India or the same is exhibited by women social entrepreneurs in other countries as well.

#### 6.6. Future research directions

As alluded to earlier, this research while answering its core questions also throughs up new questions for which further research is needed. Some of these questions spring from the limitations of this research. for instance, being qualitative interpretive research - notwithstanding a credible theoretical inference - to generate any actionable statistical inferences, further research is needed. There are nearly five hundred thousand women social entrepreneurs in India. Saunders, Lewis & Thornhill, (2016:281), show that to statistically generalise the findings of research - with a 95% confidence level and 5% margin of error – involving such a population size further survey-based research of at least 384 women social entrepreneurs is required (Full table in Appendix 9). For this, the propositions emerging from this research should be tested through a Likert scale questionnaire. These propositions are listed in Table 6.1.

*Table: 6.1: Propositions emerging from findings and their analysis*

Proposition 1	<i>A strong desire to make a difference in the lives of others is a key motive for a woman to start a social enterprise.</i>
Proposition 2	<i>Women social entrepreneurs achieve success through innovative solutions to problems</i>
Proposition 3	<i>Successful women social entrepreneurs have significant diversity in their sources of funding.</i>
Proposition 4	<i>To successfully serve a social cause, women social entrepreneurs form formal partnerships with stakeholders.</i>
Proposition 5	<i>Social enterprises that regularly seek and act on customer feedback have a more successful product or service offerings</i>
Proposition 6a	<i>Social enterprises intuitively manage the uncertainty associated with the enterprise formation process.</i>
Proposition 6b	<i>Social enterprises manage the uncertainty associated with the enterprise formation process through a well-thought plan.</i>
Proposition 7	<i>Women social entrepreneurs who are successful are more likely to be highly educated</i>
Proposition 8	<i>Social entrepreneurs do not require specific human capital.</i>
Proposition 9	<i>Gender is not a hindrance to women’s success as social entrepreneurs in India</i>

This research shows that the proposed lean-effectual framework seems to work well in India which is a developing country. Comparative country-specific studies, therefore, could also be conducted based on different levels of economic development. Countries that are

significantly different on Hofstede's cultural dimensions could also be chosen for lean-effectual studies of entrepreneurship in business/social as well as gender-neutral /gender-specific contexts.

This research demonstrates the significant value of the lean-effectual framework in explaining women's social entrepreneurship in India. In the process, it opens the path to other potential research vistas in which its value could be tested. For instance, in testing its value in understanding men's social entrepreneurship as well as business entrepreneurship in general as well as in gender-specific contexts. Both effectuation and lean start-up provide the wherewithal to deal with uncertainty associated with the new business formation. The potential value of a lean-effectual framework in the study of entrepreneurship in industries with high levels of uncertainty such as finance or software development will also have significant practitioner value.

Beyond these comparative studies, this research also opens the path to the stand-alone qualitative explorations of the use of lean-effectual behaviour by men as well as women business entrepreneurs and by men social entrepreneurs. Both effectuation and lean start-up provide the wherewithal to deal with uncertainty associated with the new business formation. The potential value of a lean-effectual framework in industry-specific studies with high levels of uncertainty such as finance or software development will also have significant practitioner value

### **6.7. Chapter summary**

This chapter articulates the answers to two questions of this research and discusses its scholarly contributions. This includes both conceptual contributions as well as empirical contributions. The conceptual contribution is in the form of a novel lean-effectual framework. The empirical contributions are to our understanding of lean-effectual behaviours, women's entrepreneurship and women's social entrepreneurship. A set of recommendations grounded in the findings of this research for women social entrepreneurs as well as for the governments and policymakers are also provided. The chapter also suggests a number of future research directions that this study has opened up the charts the limitations of this research.

## 7. Reflexivity statement

*“Despite the realization that total objectivity is neither achievable nor necessarily desirable in qualitative research, researchers often are required to put aside assumptions so that the true experiences of respondents are reflected in the analysis and reporting of research.”*

(Ahern, 1999:407)

As explained in the methodology chapter, reflexivity - along with triangulation, member checking, and thick description - is a part of the toolkit that qualitative researchers employ to establish the credibility of their research. Reflexivity relates to the notions of ‘trustworthiness’ (Lincoln & Guba 1986) ‘objectivity’ (Roulston & Shelton, 2015) and ‘moral integrity’ (Finlay, 2002; Kvale, 1996).

Reflexivity involves a self-critical evaluation and reporting of the process through which researchers convert the information gathered from the participants into the findings of their research (Finlay, 2002). It recognises that their pre-existing beliefs, as well as their past experiences, may influence the conclusions that they derive from their data and provides a redressal mechanism to correct it (Kacem & Chaitin, 2006). Kvale (1996: 241-242) argued that the *“moral integrity”* of the researcher is *“critical for evaluation of the quality of scientific knowledge produced”*. By reporting these processes with candour and in sufficient detail, trustworthiness is achieved and moral integrity is demonstrated.

Objectivity, in contrast, is a more contested issue. It is argued that the idea is founded in a positivist premise with no relevance to interpretive research (Roulston & Shelton, 2015), that subjectivity is inevitable in qualitative research and it does not necessarily mean bias (Schwandt, 1997). It is the unintended bias that is addressed by reflexivity. The following reflexivity statement is on the lines of Ahern’s (1999) advice on how to handle the process.

The theme of this research, in many ways, resonates with who I am, what I do and what I believe in. There are aspects of my background and my being that influenced the choice of the core premise and the principal context of this research.

As a woman who had lived most of her adult life in India, I was amongst the few privileged women who received postgraduate education at a time when 82% of women in India could

not read or write (Government of India, 2011). My father, a highly respected doctor in the town, was also a social activist. My elder sister earned her master's qualification in social work and has been an active social worker. As a girl raised in an enlightened family in a relatively more socially liberal state in India, I did not personally face any inequality at home or school, being the daughter of a much-respected local doctor. However, I did see gender, income and social status-based discrimination and inequality around me and was disturbed by it.

Following my master's in economics I became a lecturer in a college and taught, by choice, Indian economic problems, for most of my career. This made me acutely aware of the magnitude and severity of problems that common people in India faced as well as how these ravaged their lives every day. I was particularly affected by the realisation that many of these seemingly intractable problems could have been resolved to a significant extent if a concerted effort were made by the social, economic and political elite along with the general public in the country.

Having taught entrepreneurship as a visiting faculty, done a good part of my MSc coursework on entrepreneurship-related themes and published all my pre-PhD research on entrepreneurship, I also understood the role of entrepreneurship as a force for good. During my study of entrepreneurship, I came across the works of Sarasvathy and Ries and realised their value in improving the outcomes for entrepreneurs, which in turn, could have positive consequences for many.

My choice to fuse effectuation with the lean start-up was based on the individual merits of these two works and their fusibility, complementarity and undeniable value in improving the start-up success in resource-constrained societies such as India. My original idea of this research was to test the combined efficacy of these two constructs in improving the outcomes of the start-up process in three countries, the UK, India and Ghana that represent three stages of national economic development. However, I was persuaded by my experienced supervisors to do it only in one of these given the volume of work needed for a three-country study and its near impossibility within a PhD time frame. Having finished it for one country, now I know that it was not possible to do this in three countries.

The idea of women social entrepreneurs working to address economic and social problems in India was appealing and pulled me into this journey of exploration of their work. Having

realised the value of combined lean-effectual conduct in improving the outcomes for entrepreneurs, I wanted to know if it could be the basis of the success of women social entrepreneurs as well and if yes how can other less-successful as well as budding women social entrepreneurs adopt it to improve the outcomes for their social enterprises.

Due to my close personal identification with the theme, the question arises if this investigation has been neutral and purely fact-based. Due to my personal views, am I able to objectively assess the role of various principles of effectuation and lean start-up in the work of the studied social enterprises? The following analysis explains why this is so.

The inquiry was open in the sense that it was looking for behaviours consistent with various principles of lean start-up and effectuation as well as all antecedents to success outside any lean-effectual demeanour. The inclusion of all lean-effectual, as well as any possible, non-lean-effectual behaviours, meant that when the data was analysed, evidence of all aspects of behaviour was noted and reported without any prejudice to any specific outcome. This was achieved through a highly structured interview process in which a large number of short questions encompassing all aspects of lean-effectual, as well as non-lean-effectual conducts, were discussed with the participants. The interviews also included an open question on to what the participants attributed their success as social entrepreneurs, to find, record and report evidence outside the lean-effectual framework. In a way, I tried to be as close as possible to Kvale's (1996:252) observation, *"...knowledge claims that are...convincing in their own right that they... carry the validation with them, like a strong piece of art. In such cases, the research procedures would be transparent and the results evident, and the conclusions of a study intrinsically convincing as true..."*

This neutrality was further supported by my formal education which included the study of logic and psychology and the fact that I had done well in these subjects. As a student of logic, I always successfully spotted logical fallacies in arguments and propositions. This training allowed me to logically link responses with the findings. From my training in psychology, I was aware of how our conclusions are coloured by our perceptions and how to guard against that. I used this training to remain vigilant and tried as objectively as possible to extract findings from the recorded narrative.

The process of selection of research participants too was designed not to pre-select any specific woman or women only of certain types. From the publicly available information and the information from the organisations that were incubating social entrepreneurs, a large pool of social entrepreneurs was collated. To those whose emails could be secured, a request for participation was made and those who agreed were interviewed. All participants who agreed to be interviewed were interviewed and none was excluded for any reason. As I had previously not done any research involving Indian women social entrepreneurs, I had no prior knowledge of the work of any one of these. I met each of the participants either online or in person, for the first time in my life on the day of their interviews and so had no prejudice about their work.

To ensure that the data accurately reflected the participants' considered views on the issues discussed, all interviews were recorded verbatim. I told the participants, at the end of each interview, that I will send a transcript of the recorded interview so that they can check that the collected data is a true record of our conversation. I also told them that they could then make changes in the text of their recorded responses if they wished. When I sent the interview transcript for their review, my email specifically mentioned, "*Please also add anything important about your work, which did not come up during the interview, edit any parts which you believe are not accurate and remove those that you do not wish to be included.*" The idea was that the data excluded things said at the spur of the moment which having considered again, the participants did not want to go on record. This ensured that the raw information before it went into analysis, was seen, reflected upon and approved by the participants.

When the data was analysed to extract findings, in the standard tradition of analysis for qualitative data, direct quotes were generously inserted to allow the reader to confirm that meanings assigned to what the participants had said were consistent with the true narrative. It was not possible to include a direct quote on all supporting evidence for reasons of space. However, given the overwhelming evidence on every aspect of lean start-up behaviour as well as effectual behaviour that emerged, it was possible to present considerable evidence. To add further transparency to the process, all interview transcripts would be retained until the PhD degree is awarded.

When the data collection started, I was deeply moved to see that the participants, without any exception, were working extremely hard and with great dedication and ingenuity to solve the problems of the common people in India. However, this emotional reaction did not affect my neutrality in any way. My criterion for identification of success as social entrepreneurs was their ability to identify and resolve their beneficiaries' specific problems. I had not made it my remit to decide who had done it better and more. The degree of my appreciation for their efforts, therefore, did not affect my assessment of their use of a lean-effectual approach.

Reflecting on the errors that I made in this research, I could say that I had under-appreciated the enormity of the task of carrying out this research in three countries. Fortunately, the error was spotted early on by the supervisors and I dropped the idea before it could have caused any delay. Another thing that happened was that one respondent was lost before she could be interviewed. While explaining the notion of social entrepreneurship to her, I mentioned the income that she was generating for her cause through the sale of the books that she had written. She misconstrued it to think that I was suggesting that she had a personal monetary interest in her enterprise and declined to be interviewed. This too did not cause any damage as eventually, I was able to interview more social entrepreneurs for my research than my target of 15 needed for theoretical generalisation (Saunders & Townsend, 2016).

On balance, I believe that though, my background, my personality, my education and prior knowledge, influenced my choice of the theme as well as the context of this research and I also made some errors in conceptualising and executing this research, it did not affect or change in any material way its results nor the conclusions that have been derived. They would remain the same if the data were collected and analysed and conclusions were derived by some other impartial researcher.

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## Appendices

### Appendix 1: Measurement of social value creation

$$\text{degree of SVC}_{i,t} = \frac{\text{DS index improved}_{i,j,t}}{\text{social need}_{i,j,t}}, \quad (1)$$

with  $i$  = intervention,  $\varepsilon = \{i = 1, 2, \dots, I\}$ ;  $t$  = point in time,  $\varepsilon = \{t = 1\}$ ;  $j$  = treatment group,  $\varepsilon = \{j = 1, 2, \dots, J\}$ .



## Appendix 2: Interview questions

1. How, when and why you started your current social enterprise? **General question (Context and background) ) History**
2. What social issues your enterprise tries to solve and who benefits from your services? **General question (Context and background) Aim**
3. How were the seed capital and subsequent funds raised? (*Starts with your means*) **[Effectuation]**
4. Did you plan your investment in this enterprise in such a way if it were to fail you will not be financially affected? (*Set affordable loss*) **[Effectuation]** How much you would have been financially affected if the enterprise had not proved successful. (*Starts with your means*) **[Effectuation]**
5. What was the initial product or service that you offered? (*Minimum Viable Product*) **[Lean start-up]**
6. Did the initial product or service address only the basic needs of your potential beneficiaries or it had all the features which are available now? (*Minimum Viable Product*) **[Lean start-up]**
7. What are the sources of revenue for your enterprise? **General question, (Success) Revenue sources**
8. How much funding approximately till now have you raised for your initiative? **General question, (Success) Funding volume**
9. Does the business have any formal or informal partnerships with customers, suppliers or potential competitors? - (*The Crazy Quilt Principle- Form partnerships*) **[Effectuation]**
10. If yes, what is the nature of these partnerships? (*The Crazy Quilt Principle - Form partnerships*) **[Effectuation]**
11. What steps did you take to manage the uncertainty which happens when a new enterprise starts? (*Entrepreneurship is the management of uncertainty*) **[Lean start-up]** (*Lemonade principle/ leverage contingency*) **[Effectuation]**
12. After you started offering your product/service did you take any customer feedback? (*Validated learning*) **[Lean start-up]**
13. What was the nature of feedback? (*Validated learning*) **[Lean start-up]**
14. How was the feedback taken and how often it was taken? (*Validated learning*) **[Lean start-up]**
15. Did you make any changes in the product/service based on customer or user feedback at this stage? (*Constant Customer feedback*) **[Lean start-up]**
16. If yes, then after this feedback, did you take any further customer feedback? (*Constant Customer feedback*) **[Lean start-up]**
17. Has any event happened after you started this enterprise that was very unexpected for you? (*Entrepreneurship is the management of uncertainty*) **[Lean start-up]** (*Lemonade principle/ leverage contingency*) **[Effectuation]**
18. Were you ready for it? What did you do to handle this unexpected event? (*Entrepreneurship is the management of uncertainty*) **[Lean start-up]** (*Lemonade principle/ leverage contingency*) **[Effectuation]**
19. To what do you attribute your success as a social entrepreneur? **General question cause of success [ non lean effectual ] (RQ2 )**
20. How was the enterprise has changed from what it was at inception? **General question, (Success) Transformation[lean startup]**
21. Where do you think you will be five years from now as a social entrepreneur? **General question, (Success) Future plans**
22. What has been the effect of the Covid -19 Pandemic on your enterprise? (*Covid -19 Effect*) **Covid -19 impact**
23. What actions you are taking to address the current (Covid -19 ) challenges? (*Covid -19 Action*) **Covid -19 response**

### Appendix 3: Evidence sheet: effectuation

Entrepreneurs	Effectuation principles				
	<i>Start within your means</i>	<i>Set affordable loss</i>	<i>Opportunities from contingencies</i>	<i>Form partnerships</i>	<i>Non-predictive control</i>
WSE1	1	1	1	1	1
WSE2	1	1	1	1	1
WSE3	1	1	1	1	1
WSE4	1	1	1	0	1
WSE5	1	1	1	0	1
WSE6	1	1	1	1	1
WSE7	1	1	1	1	1
WSE8	1	1	1	1	1
WSE9	1	1	1	1	1
WSE10	1	1	1	1	1
WSE11	1	1	1	1	1
WSE12	1	1	1	1	1
WSE13	1	1	1	1	1
WSE14	1	1	0	1	1
WSE15	1	1	-	1	1
WSE16	1	1	-	1	1
WSE17	1	1	0	1	1
WSE18	1	1	1	1	1
WSE19	1	1	1	1	1
WSE20	1	1	1	1	1
WSE21	1	1	1	0	1
WSE22	1	1	1	1	1
WSE23	1	1	1	1	1

1= behaviour consistent with the principle; 0=behaviour inconsistent with the principle; - no evidence either way

Appendix 4: Evidence sheet: lean start-up

Entrepreneurs	Lean start-up principles			
	<i>Management under uncertainty</i>	<i>Build (MVP)-Measure-Learn</i>	<i>Validated learning</i>	<i>Innovation accounting</i>
WSE-1	1	1	1	1
WSE-2	1	1	1	1
WSE-3	1	1	1	1
WSE-4	1	1	1	1
WSE-5	1	1	1	1
WSE-6	1	1	1	1
WSE-7	1	1	1	1
WSE-8	1	1	0	0
WSE-9	1	1	1	1
WSE-10	1	1	1	1
WSE-11	1	1	1	1
WSE-12	1	1	1	1
WSE-13	1	1	1	1
WSE-14	0	1	1	1
WSE-15	-	1	1	1
WSE-16	-	1	1	1
WSE-17	0	1	1	1
WSE-18	1	1	1	1
WSE-19	1	1	1	1
WSE-20	1	1	1	1
WSE-21	1	1	1	1
WSE-22	1	1	1	1
WSE-23	1	1	1	1

1= behaviour consistent with the principle; 0=behaviour inconsistent with the principle; - no evidence either way

## Appendix 5: Email to participants

8/20/2021 Email - Renuka Vyas - Outlook

Research on female social entrepreneurship in India  
Sat 07/12/2019 08:25

Dear Ms ....,

I am Renuka Vyas. I am a researcher at Cardiff University. My current research is on female social entrepreneurship in India. My interest is in the start-up process, growth and impact of some important Women-run social enterprises in India such as yours. I wish to explore how Indian women social entrepreneurs address social problems and contribute to the Indian society in multiple ways, highlighting their unique social value creation.

I know that you are a very busy person. However, if you could spare time for the interview, it will help me highlighting to a wider global audience, exceptional work that women like you in India are doing for the society.

Cardiff University is ranked amongst the top five universities in the UK for its research excellence. It has a strict code of ethical research and data protection which binds me into not divulging any information that you give me, or even that you are participating in this research, without your written permission.

If you agree to participate in my research, as the first step I will send you a consent form through which you give me permission to interview you, to record the interview and use the information that you give in my research.

The potential dates of interview, based on your convenience, could be in the first week of January when I will be in Delhi.

I look forward to your response and hope to meet you and know about your work in more detail.

Regards

Renuka

Renuka Vyas  
Research Scholar  
Cardiff Business School, Cardiff University  
Aberconway Building, Colum Drive, Cardiff  
CF10 3EU  
United Kingdom

## Appendix 6: NVivo Codebook

### Nodes

Name	Description
BENEFICIARIES	
COVID - 19	
Impact	
Response	
EFFECTUATION	
Starts with Your Means	
Set Affordable Loss	
The Crazy Quilt Principle- Form partnerships	
FUTURE PLANS	
HOW AND WHY	
LEAN	
Minimum Viable Product	
Constant Customer feedback	
Validated learning	
Lean - Effectuation	
Management of uncertainty_ Lemonade principle	
SOCIAL CAUSE	
SUCCESS	
Funding volume	

Name	Description
Cause	
Revenue sources	
Transformation	
WHEN	

## Appendix 7: Research Ethics Approval



# Cardiff Business School

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## Ysgol Busnes Caerdydd

Renuka Vyas  
Cardiff Business School  
Cardiff University

07 October 2019

Dear Renuka,

Ethics Approval Reference: 1819054

Project Title: Lean-effectual entrepreneurship: Social value creation by female entrepreneurs in India

I would like to confirm that your project has been granted ethics approval as it has met the review conditions.

Should there be a material change in the methods or circumstances of your project, you would in the first instance need to get in touch with us for re-consideration and further advice on the validity of the approval.

I wish you the best of luck on the completion of your research project.

Yours sincerely,

Electronic signature via email

Dr Debbie Foster  
Chair of the School Research Ethics Committee  
Email: [CARBSResearchEthics@cardiff.ac.uk](mailto:CARBSResearchEthics@cardiff.ac.uk)

## Appendix: 8: Consent Form



### RESEARCH ETHICS

#### – Consent Form –

This research project (*Lean- effectual entrepreneurship: Social value creation by female entrepreneurs in India*) aims to explore how women entrepreneurs create value through social entrepreneurship in India. It also aims to understand if female social entrepreneurs in India follow lean start-up approach or effectuation approach in starting and running their social enterprises and if yes whether their success is due to the use of any one or both of these approaches.

I understand that my participation in this project will involve the collection of primary data as part of a semi-structured interview in order to identify key themes on use of lean start-up approach or effectuation approach for value creation by female social entrepreneurs in India.

I understand that participation in this study is entirely voluntary and that I can withdraw from the study at any time without giving a reason. I understand that the interview will be recorded and will take between 60 and 90 minutes. In case I do not wish my interview to be recorded only field notes would be taken.

I understand that I am free to ask any questions at any time. If for any reason I have second thoughts about my participation in this project, I am free to withdraw or discuss my concerns with Professor Maneesh Kumar ([KumarM8@cardiff.ac.uk](mailto:KumarM8@cardiff.ac.uk)) or Dr Shumaila Yousafzai ([YousafzaiS@cardiff.ac.uk](mailto:YousafzaiS@cardiff.ac.uk)).

I understand that the information provided by me will be held confidentially and securely, such that only the researcher can trace this information back to me individually and that the information will be anonymized. I understand that if I withdraw my consent, I can ask for the information I have provided to be deleted or destroyed in accordance with the Data Protection Act 1998 of UK.

I, --name-- consent to participate in the study conducted by Renuka Vyas ([VyasR2@cardiff.ac.uk](mailto:VyasR2@cardiff.ac.uk)), PhD student at Cardiff Business School, Cardiff University, under the supervision of Professor Maneesh Kumar and Dr Shumaila Yousafzai. I also give my consent for my interview to be recorded.

Signed:

Date:



## Appendix 9: Sample size calculator

Sample sizes for different sizes of target population at a 95 per cent confidence level (assuming data are collected from all cases in the sample)

Target population	Margin of error			
	5%	3%	2%	1%
50	44	48	49	50
100	79	91	96	99
150	108	132	141	148
200	132	168	185	196
250	151	203	226	244
300	168	234	267	291
400	196	291	343	384
500	217	340	414	475
750	254	440	571	696
1 000	278	516	706	906
2 000	322	696	1091	1655
5 000	357	879	1622	3288
10 000	370	964	1936	4899
100 000	383	1056	2345	8762
1 000 000	384	1066	2395	9513
10 000 000	384	1067	2400	9595

Source : Saunders, Lewis & Thornhill, 2016:281



## Appendix 10: Email to participants for verification of transcripts

Dear .....,

Hope you and the members of your team are well and safe.

Thank you for sparing time for the interview for my research on women's social entrepreneurship in India.

As I had informed you, I have attached a draft transcript of our talk.

Could you please go through it and add anything that I have missed? Please also add anything important about your work, which did not come during the interview, edit any parts which you believe are not accurate and remove those that which you do not wish to be included.

Could you please send me back the revised version when you have done it?

Thanks again.

Regards

Renuka

## Appendix 11: Incubation programmes and The CSR law in India

### *Incubation programmes*

A factor that facilitates and accelerates the social enterprise movement in India is incubation programmes at the Indian Institutes of Management in Bangalore, Kolkata and Ahmedabad as well as at the School for Social Entrepreneur (SSE) where not only the budding social entrepreneurs learn their trade, but they also receive the initial funding.

### *The CSR law in India*

Another factor that this research has discovered is the role of CSR law in India in facilitating the setting-up and sustenance of social enterprises. The notion of businesses serving society is very old in India. A Fourth Century economics text 'Arthashastra' by Kautilya provides detailed advice on this. However, more recently, due to an amendment to the Indian Companies Act, after 2014, India became the only country in the world where the law requires businesses to spend 2% of their profits for social causes<sup>59</sup>. The amendment applies to companies with an annual profit of more than ₹ 50 million (£50,000). Ernst & Young estimates that this law that covers over 800,000 companies in India would annually facilitate over the U.S. \$2 billion of CSR spending in local communities<sup>60</sup>. All businesses, covered by this law, now actively look for good social cause projects to invest in. This means that if you have a credible social impact project and the right credentials by way of education or experience, it is not difficult to receive the requisite funding. Eight social enterprises covered in this research receive CSR funding.

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<sup>59</sup> <https://www.theguardian.com/sustainable-business/2016/apr/05/india-csr-law-requires-companies-profits-to-charity-is-it-working>

<sup>60</sup> <https://economictimes.indiatimes.com/news/company/corporate-trends/india-inc-likely-to-spend-rs-22000-crore-on-corporate-social-responsibility-ernst-young/articleshow/36110308.cms>