

**PERCEPTION OF ENTREPRENEURS
IN BANGLADESH TOWARDS SOCIAL
BUSINESS: AN EMPIRICAL
INVESTIGATION**

**DOCTOR OF PHILOSOPHY
IN MARKETING**

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DEPARTMENT OF MARKETING
FACULTY OF BUSINESS STUDIES
UNIVERSITY OF DHAKA
BANGLADESH**

December, 2016

**Ph. D.
Thesis**

MD. MOKTAR ALI

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A thesis submitted for the Degree of Doctor of Philosophy in the
Department of Marketing at University of Dhaka, Bangladesh

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December, 2016

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INVESTIGATION**

I would like to declare that the work presented in this thesis is original and has not been submitted to any University or Institution for the award of any degree or diploma. I confirm that I have acknowledged all main sources of other works.

Md. Moktar Ali
December, 2016

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Dedicated for my parents, wife and daughters.

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Abstract

In the capitalist system, on the one hand, companies can be seen as profit maximizing business whose main purpose is to create shareholder value. On the other hand, non-profit organizations exist to fulfill social objectives. Social business is a new form of business that can be located somewhere between a profit-maximizing and non-profit organization whose primary purpose is to solve human problems. Social business has its products, services, customers, expenses, markets as well as revenues like a regular business. Social business is a non-loss, non-dividend, self-sustaining company and investors can get their money back if they wish. The owner of the social business never intends to make a profit for himself.

The aim of this study was to analyze perception of entrepreneurs in Bangladesh towards social business. The targeted entrepreneurs were classified as profit seeking entrepreneurs located at Dhaka and Chittagong City. Simple random sampling technique was used to collect data via structured questionnaire. Both descriptive and statistical statistics analysis were used for interpreting data. This study used SPSS version 22 (Statistical Package for Social Science) for descriptive analysis. Structural Equation Modeling (SEM) was conducted using AMOS 22 to test the proposed relationship among the study variables. The results of this study reveal that most of the entrepreneurs are somewhat agree with several principles of social business and their expectations are also consistent with the objectives of social business. But entrepreneurs are somewhat disagree on receiving invested amount over a period of time.

Entrepreneurs are neither agree nor disagree to take risk and challenges of implementing social business. The results of this study also describe that the overall perception of entrepreneurs changes with the changes of motivation, experience, Risk taking, proactivity, expectation and cultural factors. There are some challenges of implementing social business in Bangladesh. Lack of social

business skills, risks of managing social business, inadequate data of social business, lack of designing successful social business model, profit seeking mindset of entrepreneurs and inadequate marketing programs of social business are the most challenges of implementing social business in Bangladesh. In spite of the challenges of social business, the prospect of social business in Bangladesh is bright. Bangladesh is full of raw materials of various types of social businesses; Bangladesh has experience of implementing microcredit programs, and has a supply of low cost human resources. Awareness creation regarding social business, promotional programs of social business, training program of social business, support services and changing mindset programs of entrepreneurs towards social business can make the social business development effective as well as efficient.

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World List of Acronyms and Abbreviations

AMI	African Management Initiative
AMOS	Analysis of a Moment Structures
AVE	Average Variance Extracted
BCG	Boston Consulting Group
BNGVN	Bhagini Nivedita Gramin Vigyan Niketan
CFC	Chlorofluorocarbons
CSR	Corporate Social Responsibility
CFI	Comparative Fit Index
CFA	Confirmatory Factor Analysis
CFO	Chief Financial Officer
CEO	Chief Executive Officer
CR	Composite Reliability
EU	European Union
GFI	Goodness of Fit Index
GHS	Grameen Healthcare Services
MMA	Md. Moktar Ali
NU	Nobin Udyokta
NGO	Non-Government Organization
KMO	Kaiser-Meyer-Olkin
RMSEA	Root Mean Square Error of Approximation
SB	Social Business
SEM	Structural Equation Modeling
SPSS	Statistical Package for Social Science
SMCC	Squared Multiple Correlation Coefficient
SPARC	Society for the Promotion of Area Resource Centers
SDGs	Sustainable Development Goals
SEE	Shapero and Sokol's entrepreneurial event
TPB	Theory of Planned Behavior
TLI	Tucker Lewis Index
UNDP	United Nation Development Program
UN	United Nations
UBINIG	Unnayan Bikalper Nitinirdharoni Gobeshona
YSB	Yunus Social Business

1.1 Introduction

Today many of the world's most vital social problems are so embedded and widespread that they cannot be solely addressed by government and traditional social-sector organizations. A variety of approaches are needed in order to solve these problems from private and public sectors. A wide range of new models is emerging along a spectrum that spans from nonprofits supported totally by donations at one end to purely profit-oriented business at the other end.

A social business borrows characteristics both from nonprofits and profit-oriented business.

A social business is a new kind of business that is quite different from either a traditional profit-maximizing business or a not-for-profit organization. It is also quite distinct from some other frequently used terms, such as “social enterprise”, “social entrepreneurship,” or “socially responsible business” which generally describe varieties of profit-maximizing company (Yunus, 2007). A social business is outside the profit-seeking world. Its goal is to solve a social problem by using business methods, including the creation and sale of products or services. Social business has to recover its full costs from its operations and the owners of social business are entitled to get their money back if they wish. From its organizational structure, social business is basically the same as the profit-maximizing business but its objective is different from profit-maximizing business. In every sense it is a business, it is not a charity. The owners of the social business are not allowed to take profit for themselves; the surplus amount of profit made by social business is reinvested in the business. Ultimately, the benefits of social business are passed to the target group of beneficiaries in the form of low prices, better service and greater accessibility. Thus, a social business is operated and designed as a business enterprise with products, services, customers, markets, expenses and revenues but whose primary objective is to serve society and improve the lot of the poor. Social business is different from NGOs because most of the NGOs do not recover their total cost from their operations. Social businesses only rely on its investors at the beginning of a development project as it seeks self-sustainability. Therefore, social business is a new form of business between a profit-maximizing and a non-profit.

People might think why investors would invest money into such a business. Every year, people are investing many billions of dollars to charitable causes, it indicates that people have desire to give money for the benefits of other human beings. But investing in social business is different from investing in philanthropy in several ways. Social business is self-sustaining. Investors in social business get their money back but people who donate money to charity do not get money

back. In a social business, the investors remain the owner of the company and decide its future course of action. Therefore, this an exciting opportunity for business people to leverage their own skills and creativity to solve social problems (Yunus, 2010).

Accordingly, the foremost thrust of this study has concentrated on the issues relevant to social business in Bangladesh. The present study aims to analyze the perception of entrepreneurs towards social business of Bangladesh; the study also focuses on the current scenario of social business in Bangladesh and in the world. Such type of research is inadequate in business literature of Bangladesh. Expectantly the study wishes to fill this gap.

1.2 Problem Definition

The commitment of profit seeking companies is to pursue profit and they spend a small portion of profit as CSR (Corporate Social Responsibility) with social consideration. However, their profit seeking commitment inevitably limits their contributions to social causes. Under the present economic framework, the profit-maximizing companies have to design to pursue profit first and then add the social features- provided the social features do not interfere with maximizing profit. On the other hand, a social business is designed entirely to deliver social benefits. There is no thought of creating profit for any investor. As a result, it becomes a very powerful and, its attention to the social cause is totally undivided (Yunus, 2010). Therefore, it is a debate issue, “Is social business better than normal business”? It depends on what entrepreneurs consider better or worse. If entrepreneurs want to make money, then a profit-maximizing company is of course better. If entrepreneurs want to solve people’s problems, social business is the way forward (Yunus, 2010). In Bangladesh, most of the entrepreneurs are profit making entrepreneurs. So, **what are perceptions of Bangladeshi entrepreneurs towards social business?** The study will investigate the answer of this research question. Therefore, a study is needed to know the perception of profit making entrepreneurs in Bangladesh for sustainable social business.

1.3 Objectives of the study

The objectives of the study are classified into two groups: general objectives and specific objectives (Malhotra, 2007).

General Objective: The general objective of this study is to analyze perception of entrepreneurs in Bangladesh towards social business.

Specific Objective: On the other hands, to make this study more worthy, the specific objectives of the study are:

- a) To analyze the difference between social business and traditional business
- b) To present the current scenario of social business in Bangladesh
- c) To present the current scenario of social business in the world
- d) To analyze the role of social business for achieving Sustainable development goals (SDGs)
- e) To explore the prospect of social business in Bangladesh

1.4 Organization of the study

The study is divided into 7 chapters. **Chapter 1** describes the introductory issues regarding social business along with objective, problem definition and organization of the study. **Chapter 2** deals with the theoretical issues that are related to the social business and measures the perception of entrepreneurs. This chapter also describes the differences between social business and traditional business, similarities and dissimilarities among profit, non-profit and social business.

Chapter 3 represents the current scenario of Social Business in Bangladesh. This chapter also focuses on the prospects of social business in Bangladesh.

Chapter 4 represents the current scenario of social business in the world. A brief description of how sustainable development goals can be achieved through social business has been discussed in this chapter.

Chapter 5 discloses the research design and methodology of this study.

Chapter 6 describes the major findings and analysis of the study.

Chapter 7 concludes the study. This chapter also depicts the summary of the study, limitations of the study and provides some for further research.

2.1 Background of Social Business

Three hundred years ago, the emergence of modern capitalism made possible material progress of a kind never seen before. To be sure, capitalism is flourishing. Businesses are continuing, global trade is booming, multinational corporations are spreading into the market of developing world and technological advancements continue to multiply. But all people are not getting benefits equally. According to global income distribution, ninety four percent of world income goes to forty percent of the people, while the other sixty percent of the people must live on the six percent of the remaining world income (Younus, 2010). Half of the world lives on two dollars a day or less and almost a billion people live on less than one dollar a day.

Capitalism makes people one-dimensional human being that concerned only with the pursuit of maximum profit. Today's free economy market concept is based on this one-dimensional human being. The conventional theory of business has created people one dimensional human being to play the role of business leader, the so-called entrepreneur.

Our economic theory has also created our world is a one-dimensional world where entrepreneur are devoting themselves to the game of free-market competition where victory is measured only by profit. Yet, the reality is very different from the theory.

But people are not one dimensional being; they are excitingly multi-dimensional. Their behavior, beliefs, priorities and emotions patterns can best be compared to the millions of shades that we can produce from the three primary colors. Today, the most famous capitalists share a wide range of interests and drives that is why many business magnets from Andrew Carnegie and the Rockefellers to Bill Gates have ultimately turned away from the game of profit to focus on higher objectives.

The presence of our multi-dimensional personalities means that not every business should be bound to serve the single objective of profit maximization. For this reason, the new concept of social business comes in (Younus, 2010).

2.2 Overview of Social Business

Nobel laureate Professor Muhammad Yunus and Grameen Bank have contributed to a micro-credit revolution across the globe by providing fair loans to the poor people without any financial security. Grameen Bank provides collateral-free loans and banking services to the poor people of rural area. Muhammad Yunus founded Grameen bank on a belief that access to capital could change poor people lives. The idea was born in 1976, when Yunus was the head of the Rural Economics Program at the University of Chittagong; he gave \$27 from his own pocket to 42 villagers of Jobra village in Bangladesh as a loan. The local women who crafted bamboo furniture didn't profit from their labor due to enormous interest rates and unfair conditions when they were lent money to buy bamboo. At that time, Yunus realized that a fair loan could break the vicious cycle of chronic poverty (Yunus, 1999). According to Yunus, "I was shocked to discover a woman in the village, borrowing less than a dollar from the money-lender, on the condition that he would have the exclusive right to buy all she produces at the price he decides. This to me, was a way of recruiting slave labor" (Yunus, 2006).

Existing banks were not interested in making small loans to the poor, claiming high risks of loan defaults. Guaranteeing loans to the poor by taking personal responsibility for their repayment towards the bank, Yunus turned into informal banker. Borrowers will pay back their loans in small weekly amounts and bank officers will visit the villagers rather the other way around, setting up simple rules he made his borrowers paying back their loans on time (Yunus, 2010). When Yunus was trying to expand his program through existing bank, he confronted difficulties. Thus, under a special law, the pilot project was transformed into a formal bank (Grameen Bank, 2010).

Hard work, discipline, unity and courage, these are the four principles that Grameen Bank borrowers have to commit to a philosophy. A group-based credit approach peer pressure group, consisting of at least five women was formed to ensure repayment loans (Yunus, 1999). The group observes that everyone behaves in a responsible way and the borrowers pay their loans timely and further they take credit from the bank, this whole system is based on trust and functions without written contracts or legal instruments (Grameen Bank,2010).

Grameen Bank offers 20% interest rate for income generating loans, 8% for housing loans, 5% for student loans and interest-free loans for beggars. All interest of Grameen Bank is simple interest and calculated on a declining balance method. On the other hand, the Government of Bangladesh has fixed 11% flat interest rate.

When calculated in the Grameen Bank process, according to Grameen Bank, this interest rate amounts to about 22%. All members of Grameen Bank have to save a small amount in a number of funds that serve as insurances against contingencies to supplement the lending. Grameen Bank also incorporates a set of values embodied in sixteen decisions and borrowers promise to follow them. These decisions are an integral part of Grameen's business approach in order to improve families' security, not about banking (Yunus, 1999).

In the meantime, the idea of collateral-free micro loans for poor women has become a global phenomenon. Grameen Bank has supported 141 direct projects in 38 countries in Asia Pacific, Africa and including one in America through its Grameen Trust village Bank that brings micro-credits to single mothers in New York City (Grameen America, 2010). Most of these banks follow the methods of Grameen Bank and charge the lowest possible interest rate and give opportunity to become owners of the bank (Yunus, 2010).

The microcredit business has attracted for-profit companies including Citigroup and Deutsche Bank, resulting in a 9 billion micro-lending industry due to the explosive growth in non-profit microfinance institutions (Grameen Bank, 2010). Some profit-driven organizations are charging in excess of 80% interest rate per year arguing that managing small loans for the poor is more costly than handling conventional loans (Sparreboom et al., 2008).

Lending terms have become less restrictive due to the explosive growth of microfinance institutions and the poor have resorted to borrowing from a variety of sources (Gehlich-Shillabeer, 2008). More than 50 Indian farmers committed suicide who could not make payments on their multiple micro-loans in late 2010, the whole microfinance industry has fallen into disrepute for this phenomenon (Pinzler, 2010; Mader, 2010). Micro-credit model had been created violating the pro-poor spirit although Yunus claims that interest rates should not go much beyond the sum of the costs of funds and delivery costs, this is a perversion of his business approach (Sparreboom et al., 2008). Since the first two microfinance institutions have gone public in 2007

(Compartamos in Mexico) and 2010 (SKS Microfinance in India), the question whether or not increasing commercialization is good for microfinance has been highly contested. At that time, Yunus thinks that profit-oriented microfinance will lead to a drift away from his original principle i.e., helping the poor. The profit-oriented cooperatives models are not sufficient and scalable enough to meet the global demand for financial services. Competition among the microfinance institutes would bring interest rates to consumer friendly levels.

This kind of debate about pricing, investors, profit, and welfare is called “mission-drift” and has its root in a fundamental concern, it actually overlooks some older critics that go beyond the risk of over-indebtedness (Gehlich-Shillabeer, 2008). Rahman (1999) had already probed that Grameen Bank model would go far beyond financial services pointing to widespread exclusion of the poorest women and destructive peer pressure. The anthropologist also pointed to a phenomenon currently described as consumption smoothing (Collins et al. 2010).

Many credits were used for consumption that could help to manage poverty but not eliminate it. Karnani(2007) has argued that it was false to believe that the poor were born to be entrepreneurs in this context. Most of the micro-credit borrowers were caught in subsistence activities or rather micro-credit dependency because of their shortage of skills.

In 2006, Yunus and Grameen Bank were awarded the Nobel Peace Prize in 2006 for their efforts to create economic and social development instead of these critics. Now, Yunus is regarded as the spearhead of the modern micro-credit industry, founding a bank and developing a viable business model to serve their financial needs was he calls a first step in a journey that still continues (Yunus,2010).

Today, Yunus promotes the broader idea of social business- a sort of inclusive business dedicated to solving social, economic and/or environmental problems. The development of social business in Bangladesh has emerged as major strategies to duel the poverty alleviation and unemployment reduction that continue to pose major issues to the economic and social development in the country.

2.3 Difference between Social business Models and Traditional business Models

In the 21st century, Social business models are considered a new innovation to the organization for business. Social business models to some extent contradict to the traditional business models, as the main aim of the traditional business models is to primarily provide returns to shareholders. However, social business models have been conceptualized on the idea and rationale of contributing sustainability to the community are built with the vision of achieving social objective (Donaldson et al., 2011). Social business is a concept originally developed in the context of poor country.

According to (Yunus et al., 2015) social business has three key characteristics. First, it seeks to alleviate social problems, including all forms of poverty. Second, it must be run sustainably- that is, it should not lose money. Third, profits- when they exist- are reinvested in the expansion of business rather than funneled back to the shareholders. Grameen Veolia Water Ltd is a company that builds and operates water production and treatment plant in several poor villages in Bangladesh.

Grameen Veolia Water Ltd is a joint venture between a multinational corporation and local healthcare company and their main aim is to develop projects in five villages, where the company would produce and deliver drinking water that would then be sold at the factory location for a profit (Yunus Centre, 2009). In a word, the main objective of the company's business model was to identify a social problem- pure drinking water and invest in infrastructure that would enable the company to meet the demand in the region. The profits from this company are reinvested back into the business and enable it to expand its operations and further assist in solving pure drinking water in other regions (Yunus and Weber, 2010).

The business models used by Grameen Veolia Water Ltd can be considered as a social business models because it has a non-dividend, non-loss policy which is consistent with Yunus's social business models. This social business models can be compared with the Thames Water is the UK's largest water and wastewater Services Company that uses traditional business models that are built the relevant infrastructure required to pump millions of liters into London homes daily, and send them a monthly or quarterly bill.

Basically, when reviewing both businesses, it seems that their models fit the same pattern, which is to build relevant infrastructures required to deliver water to customers. Grameen Veolia accomplishes that by delivering at the factory gate to individuals, whilst Thames Water

accomplishes it by pumping into millions of London homes. The main question here is to determine if both models are different or the same lies in the definition of a business model itself.

According to Chesbrough and Rosenbloom (2000) business model is a description of how a company intends to create value in the market place. Magretta (2002) describes a business model as the method of doing business in which an organization sustains itself and generates revenues by specifying its position in the value chain.

From all these definitions states that a business model describes how an organization utilizes its resources in order to generate revenues. Several business models exist, and they are usually distinct based on the industry within which they operate. Referring back to the water business model of Grameen Veolia Water Ltd and Thames Water, it is clear that both entities create value by making water accessible.

According to Yunus and Weber (2010), the key characteristics of a social business are for the business objective to overcome poverty; attain financial and economic sustainability, return back the initial investment capital of investors; retain profit in the business for expansion and improvement; environmental consciousness; and market wage alongside better than standard working conditions for the workforce. However, based on Linder and Cantrell's (2000) discussion on the constituents of a business model, alongside other definitions used in this study, it seems that these characteristics do not constitute the definition of a business model, but more like the CSR policy of an organization.

According to Kotler and Lee (2005), "corporate social responsibility is a commitment to improve community well-being through discretionary business practices and contribution of corporate resources. By the use of the term discretionary, Kotler and Lee disregard companies that are obligated to act socially because of the law, or because it is ethical or moral and therefore expected. It defines businesses that choose to do good for their community based on internal policies.

Therefore, based on this definition, it seems that social business models, as defined by Yunus and Weber (2010) may inherent identify traditional business models that have a CSR policy centred on targeting the community.

2.4 Corporate Social Responsibility versus Social Business

Corporate social responsibility (CSR) has a long tradition especially in family business but in the last decade, it really came to distinction when large multinationals began to adopt it to demonstrate that they were serious about delivering a positive social impact on the communities in which they operated (Smith, 2003). The societal contributions of companies have originated from different motivations- perceived moral or religious obligations, philanthropic considerations, or economic self-interest as health and education services could also yield business benefits (Weber, 2008). A considerable number of definitions and conceptualizations have been provided to the literature of CSR after the development of CSR in the North in 1950s (Maignan et al., 2005).

The notion of CSR is sometimes difficult to grasp for companies because of an abundance of unclear and biased CSR concept. According to Weber, a researcher, the term CSR can be broadly defined as “*voluntary corporate activities to tackle social and environmental aspects*”. In practice, CSR is traditionally often designated as a charity fund set by companies to do some good in the local community, sponsoring sports events, donating money to cultural institutions or disadvantaged children (Saatci and Urper, 2013).

CSR engages in positive impact creation for the stakeholder and external relations. The most active form of CSR “Shared Value Creation”, welcomes social issues as one of their integral business strategies embedded in core operations.

Muhammad Yunus , the founder of Grameen Bank of Bangladesh introduced the term “social business” in 2006. The aim behind the idea of social business is to solve social problem by encouraging the poor people to be an entrepreneur (Saatci and Urper, 2013).

Social business model does not strive to maximize profits but rather to serve humanity’s most pressing needs. Therefore, the first motive of a social business is not to maximize profit and second, it does not pay its investors dividends. Instead, it aims at solving social problems with products and services at affordable prices or giving the poor and marginalized people ownership in a business and therefore allows them to share in its profits. A social business pays back only its original investment and reinvests its profits in innovations or further growth that advance its social goals. The workforce of social business is professional and paid according to market wages. In every sense the social business is sustainable: in its direct environmental impact, its

impact down the value chain, and critically in its financial independence. This is the key difference between social business and charity.

Social business and CSR have much in common. Both want businesses to take the interests of all stakeholders and especially non-shareholders, while taking a larger and serious role in addressing social and environmental problems. Yet, there are important and underexplored differences. The difference between two notions, based on their purposes, structures, targets, profit related policies, compliance issues and shareholders perspective are listed below:

Table 2.1: Difference between CSR and Social Business

CSR	Social Business
Profit sharing	Non-dividend
Profit Maximizing	Social benefit maximizing
Project based/Time Limitation	Company based/Enduring-sustainable
Social projects within the companies' core business strategies	Social projects within the recognition of diversified social problems
Targeting general society/Satisfaction of stakeholders expectations	Targeting the poorest of the poor, or the ones in most urgent needs
Temporary solutions to social problems/ non sustainable in general	Consequences oriented-permanent solution.
Devoting a small portion of profit	Rising its financial funds
Compliance with the moral/religious or legal obligations to engage in a social problem solving	Compliance with the "selflessness to engage in a social problem solving
Shareholders and entrepreneurs bias on allocating profit on social problems.	Shareholders and entrepreneurs full support on allocating profit on social problems.

Source: Saatci and Urper, 2013

Traditional businesses are not fully concentrated on social problems whereas social business can exclusively concentrate on delivering social benefits. Furthermore, sustainable CSR projects incur cost for the companies and shareholders (Saatci and Urper, 2013).

In case of traditional business, shareholders would not approve corporate spending on social problem when it is considered that a portion of profits are allocated to CSR and entrepreneurs are responsible to pay all that costs. However, the core purpose of social business is to provide solution to a social problem. Shareholders or entrepreneurs would receive satisfaction by distributing corporate profits to social problems.

2.5 Social Business versus Social Entrepreneurship

Social entrepreneurship is generally defined as an activity or organization with social values and aims employing business concepts and tools in some form. According to Dees (2001), who is a leading scholar in the field of social entrepreneurship, the key elements of this field is adopting a mission to create and sustain social value; pursuing new opportunities to serve that mission; engaging in a process of continuous innovation; acting boldly without by limited resources; and exhibiting heightened accountability. Unlike social business, which is clearly circumscribed by its for-profit status and lack of return to investors, social entrepreneurship incorporates many forms and degree of business technique utilization. Wei-skillern et al. (2007) define social entrepreneurship as “innovative, social value-creating activity that can offer within or across the non-profit, business or government sector”.

Bornstein and Davis’ (2010) present a brief overview of the field defining social entrepreneurship, its emergence as a social movement, and identifies key figures in the movement and they contrast social entrepreneurship with government activities, activism, and democratic political movements.

Elkington and Hartigan (2008) argued that there are three basic models; leveraged non-profits, hybrid non-profits and social business. Social business ventures are defined as having a social mission, the generation of profits, seeking out investors, and ability to scale up taking on debt and equity.

Social enterprises may be defined as “private, autonomous, entrepreneurial organizations providing goods or services with an explicit aim to benefit the community. They are owned or managed by a group of citizens, and the material interest of capital investors is subject to limits. Social enterprises place a high value on their autonomy and on economic risk-taking related to ongoing socioeconomic activity. Social enterprises are either legally prohibited from distributing profits or are structured to exclude profit as the main goal” (UNDP/ EMES,2008).

A similar interpretation of social entrepreneurship is given by Yunus (2008; 2010). He defines the social business as a subset of social entrepreneurship that operates as an enterprise, selling products and services to customers. In social business, there are no dividends for the shareholders. Investors who decide to set up a social business enterprise can take back the amount of money that they invested, after which the surplus would not be distributed among the

partners. Any surplus revenue would be reinvested to improve the quality of the product or service or toward scaling up the social business. The purpose of Yunus social business is not to eradicate or contrast with traditional business model, he considers that social business is an alternative way of entrepreneurship.

He excludes the hypothesis of a social business model that admits dividends for shareholders because “profit-seeking companies with a strong CSR commitment try to make their pursuit of profit consistent with social considerations. But their commitment to making a profit inevitably limits their contributions to social causes.

By contrast, a social business is designed exclusively to deliver social value” (Yunus, 2010). Yunus (2008) also proposed a second type of social business that is a profit making company owned by poor people. Although it is a profit making company, it is considered as a social business because it is permitted to improve the social condition of low-income people.

Several researchers provide evidence that the central mission of social entrepreneurship is to eliminate social problems. According to Light (2006); Mair and Marti (2006) and Korosec and Berman (2006) social entrepreneurship is a process that aims to address significant/ alleviate social problems/needs.

Mair and Marti (2006) said that social entrepreneurship is a catalyst of social change. Martin and Osberg (2007) argued that the aim of social entrepreneurship is to alleviate the suffering of target group. On the other hand, Schwab Foundation (2011) told that the objective of social entrepreneurship is to benefit society with an emphasis on marginalized people and finally Peredo and McLean (2006) Perrini and Vurro (2006) also said that social entrepreneurship create and distribute new social value. Thus all of these definitions agree that social entrepreneurship is a means to alleviate social problems and improve well-being.

The European Commission uses the term “social business” to cover “businesses providing social services and/or goods and services to vulnerable persons (access to housing, health care, assistance for elderly or disabled persons, inclusion of vulnerable groups, child care, access to employment and training, dependency management, etc.); and/or businesses with a method of production of goods or services with a social objective (social and professional integration via access to employment for people disadvantaged in particular by insufficient qualifications or social or professional problems leading to exclusion and marginalization) but whose activity may be outside the realm of the provision of social goods or services” (European Commission 201).

A broader interpretation of Social entrepreneurship also allows for an innovative form of business that is becoming more widespread: the inclusive business model.

The theory of the Bottom of the Pyramid proposed by Prahalad (2004) is based on the concept of “Serving the poor profitably”.

Profitability in the low-income sector could be achieved only if companies change their traditional opinions about developing countries, by no longer considering them to be a territory to exploit but a market composed of producers and consumers with specific needs, which, in turn, could be satisfied through specific and innovative business models.

Marquez et al. (2010), conclude that social enterprises are distinguished from traditional business by two main features: the social value that is created and the level of stakeholder involvement. The key point of inclusive business model is to create value, in addition to the need to engage with stakeholders to succeed and obtain mutual business and social opportunities.

The inclusive business model can generate economic and social value and at the same time, offer new opportunities to a company to conduct business responsibly. Inclusive business model include the poor on the demand side as client and customers and on the supply side as employees, producers and business owners at various points in the value chain. Inclusive business model build bridges between business and the poor for mutual benefit. They include driving innovations, building markets and strengthening chains for business and higher productivity, sustainable earnings and greater empowerment for the poor (UNDP,2008).

2.6 Social Business versus Non-profit Business

Starting in the 1970s, theories about non-profit initially focused on the idea of government and market failure. Researchers proposed the idea that non-profit provision of particular products or services arises when either the public sector is unable to meet society’s demand or when consumers are persistent to purchasing a given service in the for-profit marketplace (Humberg, 2014).

According to Frumkin (2002) non-profit activities essentially serve four critical functions: non-profits promote civic and political engagement and deliver a broad spectrum of community services in response to concrete public needs that the market and state fail to meet. Nevertheless, defining the non-profit sector is tricky, because many of the core features and activities increasingly overlap and compete with those of business and government.

Non-profit organizations may be organized as a trust, foundation, association of members, non-profit enterprise or they may be purely informal. In the form of donations or grants (**donative non-profit**), they may receive most or all of their income or earn the bulk of their income from prices charged for their services (**commercial non-profits**) (Hansmann, 1986).

Hospitals, day-care centres, nursing homes, trade associations, labor unions and churches are operating as non-profits organizations. However, not all non-profits fit into the two categories: most universities for example rely heavily upon donations as well as on income from sale of services such as tuition and thus, lie somewhere between the two (Humberg, 2014).

In fact, today the non-profit landscape comprises a wide diversity of purpose, funding mechanisms and professionalization, but most countries have specific laws regulating the establishment and management of non-profits. Non-profits organizations of the most of the countries usually gain tax exempt status, if they meet the requirements set forth by national law.

Frumkin (2002) and Grobman (2008) mention the following three structural features of traditional non-profits in contrast to public sector institutions and profit-maximizing companies.

- (i) **Non-coercive Nature:** Non-profit depends on good will. Different from governments, non-profit cannot charge taxes, punish violations of the law, regulate behavior, and compel action. Theoretically, the demand of non-profits is nothing- an incidence locates them closer to the market than to government (Frumkin, 2002).

Non-profits cannot pressurize participation or consumption of their services like companies that depend on consumers' choice in a competitive market. In the non-profit world, nobody can be forced to buy shares or invest in an enterprise, no one forces anyone to give or volunteer. Thus, the flow of resources depends on the quality and relevance of its mission and capacity to deliver value to a non-profit.

- (ii) **Non-distribution constraints:** The second feature sharply differentiates non-profits from traditional business. Traditional businesses are allowed to distribute earnings to shareholders, while non-profits must use all residual funds for the advancement of their mission. Non-profits organizations are characterized by the facts that they are subject, by the laws of the state in which they were formed, are barred from distributing net earnings to any individual who exercise control over it, such as members, officers, directors or trustees (Hansmann, 1987).

Despite of the non-distribution constrain being a non-profit enterprises does not mean that it must have a social mission or purpose, the non-profit sector is not focused on aiding the poor or needy (Weisbrod, 1988). Altruism does not require the creation of a profit organization, and conversely, many non-profits institutions receive minimal private donation of money and time (Rose-Ackerman, 1996). Similarly, ideological commitment is not tightly linked to non-profit creation (Rose-Ackerman, 1996).

However, non-profits are free to pay reasonable compensation to any person for labor or capital that they provide, whether or not the person exercises some control over the organization. By retaining residuals rather than passing them on to investors, non-profits seek to reassure clients and donors that their mission takes precedence over the financial remuneration of any interested party (Hansmann, 1987).

(iii) Control Structure: The third feature of non-profits organization is that they do without clear lines of ownership and accountability, separating them from both business and government. In private sector ownership is ambiguous: unless a company is privately owned by its founder, shareholders own different amounts of a company's equity depending on the numbers of shares held. Similarly, governments must adhere to the will of their voters if they are to retain the support and legitimacy needed to govern-at least in democratic states (Frumkin, 2002). Non-profits organizations must serve many different parties like donors, clients, board members, employees or local communities with various stakes, claims or interests but none of these parties can be clearly defined as the "key ownership group" that is ultimately able to exert complete control(Frumkin, 2002).

The relative strength of ownership claims depends on how an organization is funded and its mission (Hansmann, 1996). The lines of ownership and accountability of non-profits organization are rendered complex because non-profits earn income with multiple sources like foundations, corporations and government. Even boards are no solution, they do not own profits, although they held responsible for the actions of their organizations. Ultimately, non-profits organizations are "authorized to act in the public interest by the communities in which they operate" (Frumkin, 2002).

The controversy about all of these three features of non-profits organization are acknowledged by Frumkin but still emphasized the non-profits unique characteristics that position them to perform societal functions neither government nor the market are able to

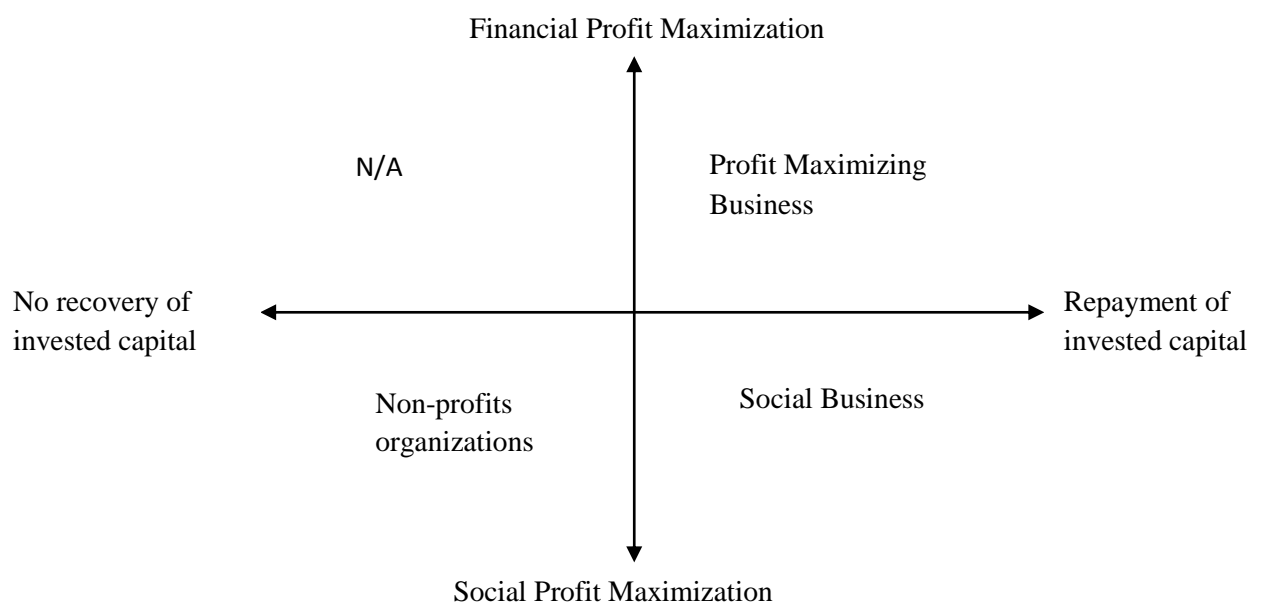
match. The first two features of non-profits organizations, non-coercive nature and non-distribution constraint, are also elements of Yunus' social business concept, but there is a major difference related to the third characteristics of non-profits organizations.

Unlike non-profits but like for profit companies, social businesses have investors and owners—although shareholding investors are not allowed to take dividends beyond the initial capital amount invested. A social business may be owned by one or more individuals, either as a sole proprietorship or a partnership, or by one or more investors, who pool their money to fund the social business and hire professional managers to run it.

According to Yunus (2007), a social business may also be owned by governments, non-profits or any combination. Ultimately, the ownership feature distinguishes the non-loss, non-dividend model from conventional non-profit corporations as defined by Hansmann (1986). Two extreme types of corporate bodies can be distinguished in the capitalist system.

On the one side, companies can be seen as a profit maximizing business, whose purpose is to create shareholder value. On the other, non-profit organizations exist to fulfill social objectives. The following figure shows how social business borrows from both these entities: it has to cover its full costs from its operations, and its owners are entitled to recover their invested money, but it is more cause than profit driven.

Figure 2.1: Social Business vs. Profit Maximizing Business vs. Non-profit Organizations



Source: Yunus, 2009

The goal to achieve full cost-recovery based on a commercially viable business model is the second characteristics social business from the typical forms of a non-profit organization. According to Yunus, economic self-sufficiency is a major condition for an initiatives long-term sustainability, growth and expansion. “The power of the social business to endlessly recycle money gives it potentially far greater impact than even the best-run charity” (Yunus, 2010).

A built-in weakness in most non-profits organizations is relying on charitable donations. Their need to constantly raise funds from private individuals, foundations, or government agencies distracts executives from the non-profits’ core mission and negatively affects their reach and effectiveness. Charity-based programs are also prone to collapse when funds fall short.

From Yunus’ point of view, even those non-profits that achieve partial cost-recovery by selling socially beneficial products or services do not qualify as social businesses. “As long as it has to rely on subsidies and donations to cover its losses, such an organization remains in the category of a charity” (Yunus, 2007).

There are both similarities and dissimilarities among profit-maximizing business, non-profit business and social business. A brief comparison among them is illustrated in the following table.

Table 2.2 Similarities and dissimilarities among Profit-maximizing, Non-profit and Social business.

Features of Comparison	Profit-maximizing Business	Non-profit Business	Social Business
Objective	Main objective is to maximize profit of the shareholders	Main objective is to maximize social profit	Main objective is to maximize social profit as well as full recover of invested
Driving factors	Profit driven business	Cause driven business	Cause driven business
Self-sustainability	Self-sustainability must be maintained	Depends on donations and charities fund	Self-sustainability must be maintained
Return on capital to owners	Capital is returned to owners	Capital is not returned to owners	Capital is returned to owners
Dividends	Dividends are distributed to owners	Dividends are not distributed to owners	Dividends are not distributed to owners
Profit equation	Economic profit equation exists.	No economic profit equation exists.	Economic profit equation exists.
Competition	Competitions among the firms are possible	Competitions among the firms are not possible.	Competitions among the firms are possible

Source: Yunus, 2007

Charity organizations would tend to take away the initiative of those who receive the benefits, whereas social business companies could foster people's autonomy. Poor consumers, who are actively participating in the economic system and becoming increasingly self-reliant, pay a fair price for the products and services.

Yunus (2010) also points the limitations of social business in case of people who cannot support themselves due to their age or physical or mental health and in situations that require disaster relief. Human beings within a few days starvation certainly couldn't wait for a social business to be launched.

2.7 The Business Model in the Literature

The academic literature offers various definitions and perspective of the concept of business model that can be helpful for analysis of the corporate social enterprise models of inclusive and social business (Michelini and Fiorentino, 2012).

The business model was developed with aim of understanding the dynamics of technological change and was used to illustrate the processes of managing IT systems. Historically the business model was considered to be a coherent framework that takes technological characteristics and potential as inputs and converts them through customers and markets into economic output. The business model mediates between technology development and economic value creation and it is conceived as a focusing device (Chesbrough and Rosenbloom, 2002).

The use of the business model has greatly increased because of the emergence of the new economy. Managers and researchers need to define new business formulas and to identify models that could express the concept of value creation. Many researchers define a business model by specifying its components. According to Zott and Amit (2010) business model is the content, structure and governance of transactions of business and is designed to create value through exploitation of business opportunities.

Recently, Casadesus-Masanell and Ricart (2011) define a business model that consists of "a set of managerial choices and the consequences of those choices" and the main components are policy choices, which determine the actions an organization takes across all its operations, asset

choices, that pertain to the tangible resources a company deploys and governance choices, which refer to how a company arranges right decision making.

Osterwalder et al. (2005) suggest a business model that integrates two perspectives: the way a company conduct business and the conceptualization of the strategy. Osterwalder and Pigneur (2010) suggest that a business model describes the rationale of how an organization creates, delivers, captures value and propose the following elements of a business model

- (i) *Value proposition*, which describes an overall view of a company's products and services
- (ii) *target customers*, which presents the segments of customers to whom a company wants to offer value
- (iii) *distribution channel*, which explains the various means through which company engages with its customers
- (iv) *relationship*, which describes the type of links a company establishes between itself and its various customers segments
- (v) *value configuration*, which describes the arrangement of activities and resources available to the company
- (vi) *core competency*, which represents the competencies necessary to execute the company's business model
- (vii) *partner network*, which portrays the network of cooperative agreements with other organizations that are necessary to efficiently offers and distribute value
- (viii) *cost structure*, which sums up the monetary consequences of the company's means employed in the business model and
- (ix) *revenue model*, which describes the way a company makes money through a variety of revenue flows.

Recently, the concept of business model has been used by some authors to analyze new forms of business like social and inclusive business. According to Hamel, referred by Mair and Schoen (2005) core strategy, strategic resources, customer interface and value network are the common features of a successful entrepreneurship business model.

Marquez et al. (2010), explain the value proposition, the distribution channel, the relationship with the customers, the partner network and the revenue model are the main components of inclusive business model. Yunus et al. (2010) identified four components of a social business model: the value proposition, the social profit equation (the social profit and the environmental

profit), the value constellation (the internal value chain and the external value chain), and the economic profit equation (the sales revenues, the cost structure, and the capital employed).

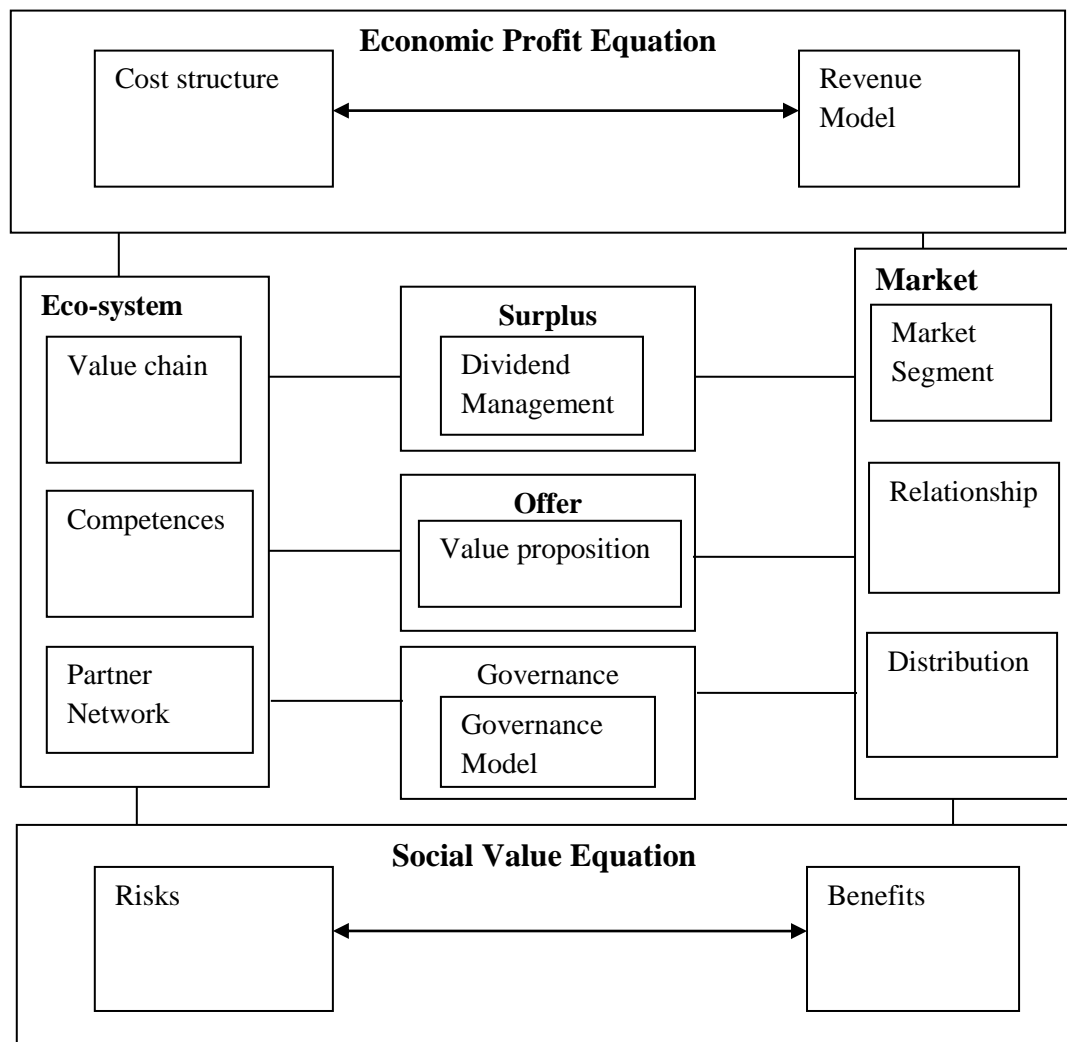
2.8 The Social Business Model

This literature review explains that traditional business models are not able to capture all of specific aspects of new type of business like social business and inclusive business. The traditional business models do not allow for an analysis the specific features and innovations relating to the revenue management model, the model of governance and social impact of social and inclusive business.

In order to overcome of this shortcoming, a new form of business model has been developed which is known as social business model that could be used as a tool for the analysis of the new forms of business.

The social business model focuses on 7 (seven) areas that includes 13 (thirteen) components.

- (i) **offer**, which describes the *value proposition* that is the benefits that a company offer through its products and services,
- (ii) **market**, which includes the *market segments* in which a company wants to reach; *the relationship*, that portrays the type of communication and the communication strategy that a company establishes with its customers and *the distribution*, which exposes the communication channels through which a company uses to reach its customers
- (iii) **governance**, which represents the *governance* model of the company
- (iv) **eco system**, which includes the *value chain*, that refers to the chain of activities for a firm and the *competencies*, which represents skills, knowledge or ability of a company and the *partner work*, that refers to the network of the cooperative agreements with other organizations
- (v) **surplus**, that describes how a company manages its revenue surplus
- (vi) **economic profit equation**, that includes the *cost structure* and *revenue model* of the company and finally
- (vii) **social value equation**, which describes the way how a company generates *social benefits* in terms of risks and benefits.

Figure 2.2: The Social Business Model Framework

Source: Grove and Berg, 2014

The components that are identified on the above are the main characteristics of the new form of business like social business.

2.9 Social Business Taxonomy

Social business taxonomy can be developed in order to understand the characteristics and differences between business models that consider the social business model framework and the main classification that exist in the literature (Dacin et al. 2010; Yunus et al. 2010; Massetti 2008; WBCSD, 2008).

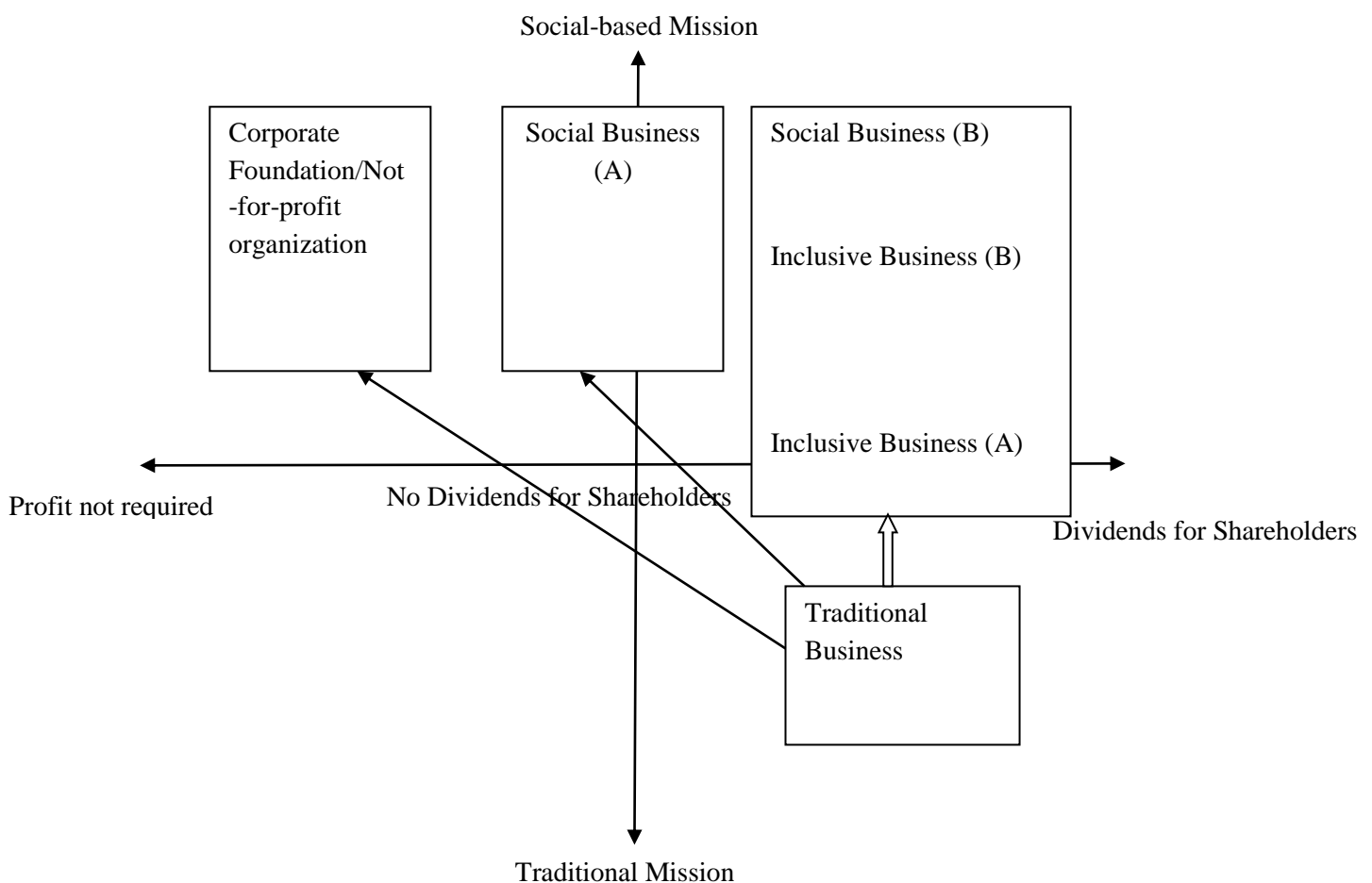
Two critical points emerge, from the literature review. The first point deals with the true meaning of the attribute “social” and how a social mission might distinguish social entrepreneurship from

other organizational forms. The second point refers to the revenue management and surplus management as existing in a continuum from “profit not required” to social business and ending with “profit required”.

The *social and economic profit equation* and the *surplus* have been selected as variables considering the components of the business model framework to develop the matrix. It is possible to identify the social impact by comparing the economic and social value generated by the enterprise. The comparison explains whether a company is more social or profit oriented.

Surplus management can range from ‘zero surplus’ where profits are not required to profits are required and re-invested in the company and to profits are redistributed among shareholders. A matrix can be developed by using these two variables in which different forms of business models can be placed that target the low-income markets.

Figure 2.3: The Social Business Model Taxonomy



Source: Dacin et al. 2010

The matrix identifies an alternative corporate social entrepreneurship that a traditional business can implement to target low-income market. At the bottom right section of the matrix in the quadrant, the traditional business model is located that is solely profit oriented. The arrow also indicates that a company can decide to pursue to target low-income markets.

At the top left section of the matrix, the corporate philanthropic model that is a cause-driven but not profit-oriented model is located. In reality, the philanthropic model itself does not represent a conventional form of the business model aimed at the low-income sector because it is based neither on selling a product or service directly to the poor nor on economic self-sustainability.

The quadrant at the top right section of the matrix includes social business and inclusive business models that are oriented toward economic self-sustainability and are engaged in improving the community's well-being by generating profits. The social business model is characterized by two main typologies:

- (i) Social business (A) includes the companies that do not distribute dividends, this approach is consistent with the social business model proposed by Yunus (2008) and
- (ii) Social business (B) includes all the companies whose mission is socially oriented independently from the financial management, this approach represents businesses that provide social services and/or goods and services to vulnerable persons and/or businesses with a method of production of goods or services with a social objective.

The inclusive business model is a traditional business activities model that represents an intermediate model that appears between a traditional business focus on the CSR approach and a social entrepreneurship with a high social orientation. Moreover, the matrix describes the relationship among the three aforementioned business models. Essentially, a traditional company could choose to approach the low-income market by implementing inclusive or social business models.

Yunus has conceptualized (Grameen) social business as a new kind of business in the capitalistic marketplace- different from both traditional profit-maximizing business whose purpose is to create shareholder value as well as not-for-profit organizations which exist to fulfill social objectives. Yunus's social business does not stipulate the end of conventional business or non-profits (Humberg, 2014).

This social business is a new category of business that borrows characteristics from both traditional and non-profits business. A social business has to cover its full costs from its operations, but its founder and shareholding investors, respectively are not allowed to receive any dividends going beyond the initial capital amount invested.

In contrast to owners of or investors in profit-maximizing companies who expect financial profits as a direct reward for their risk-taking, their social business counterparts are driven by philanthropic motivation with personal gratification as their indirect reward. Yunus' social business concept is nevertheless primarily a plea for more entrepreneurial and market-based philanthropy.

A traditional company could think more strategically about their philanthropic activities and seek social investment opportunities related to their core business, traditional non-profits could learn from the business sector how to become more self-sustainable and effective while realizing their social mission. For both sides, investing in a social business would however be different from conventional philanthropy: as investors, non-profits and companies could get back their capital but remain the owners with decision-power over the initiative's future course of action (Humberg,2014).

2.10 The Value of Social Business

The value of social business means the social and business benefits that social business provides to solve social problems. Many of the world's social problems are so ingrained and widespread that they cannot be addressed solely by government and traditional social-sector organizations. Solving these problems requires a variety of approaches from the private and public sectors alike.

A wide range of new models is emerging along a spectrum that spans from nonprofits supported entirely by donations at one end to purely profit-oriented business at the other to end this. These emerging models bridge the social and private sectors by combining business principles with social objectives (BCG, 2013).

The various approaches of emerging models can be distinguished both by the relative emphasis they place on social objectives versus profit objectives and by the degree to which they seek to generate their own revenues. Social businesses fall somewhere between traditional NGOs and for profit companies on this spectrum (shown in the below).

Table 2.3: Social Businesses are at the Intersection of Nonprofit and Business Sectors

	NGO	Business inspired NGO	Social Business	Balanced social/profit business	Business
Primary objective	Social impact	Social impact	Social impact	Social impact and commercial success	Commercial success
Products/services for sale	×	√	√	√	√
	N/A	Price < Costs	Price ≥ Costs	Price > Costs	Price > Costs
Business Model	Maximizes social impact	Maximizes social impact	Maximizes social impact	Maximizes social impact	Ensures social standards
	Funded through donations	Partially funded through donations	Financially self-sustainable	Maximizes profitability	Maximizes profitability
	Social entrepreneurs				

Source: BCG, 2013

Like NGOs, the primary objective of social business is to create social impact. At the same time, social business operates like businesses and aim to generate sufficient revenues to at least cover their operating costs. Other emerging models, which lean further to the business side, try to weigh profit and social objectives equally; for instance by aiming to generate at least a minimum profit while also pursuing a social impact goal.

More toward the nonprofit side, business-inspired NGOs aim to generate at least some additional revenue by pricing their services, yet without the ambition to reach financial sustainability.

All are of these emerging models are built around the same basic belief: applying business principles to social problems can significantly increase efficiency, effectiveness, and financial sustainability. Exact definitions of “social business” vary. According to Professor Yunus, social business is a financially sustainable organization created solely to solve a social problem. Whereas original investments may be recouped, all potential profits are reinvested to further increase the organization’s social impact. Social businesses maximize value delivered to society as opposed to the financial value delivered to shareholders. Social business provides social and business benefits.

Social Benefits: Social businesses can theoretically provide solutions to almost any social problem with their focus on social impact and self-sustainability. Social businesses provide solutions to social problem include fighting hunger and malnutrition, increasing the agricultural productivity of rural populations, offering poor rural households access to an environmentally friendly electricity supply, providing employment opportunities in areas where jobs are limited, and improving the health and life expectancy of local populations.

These solutions are designed to provide long-lasting, self-perpetuating benefits unlike traditional charitable organizations that spend donated funds every year, a successful social business has self-sustainable operations because it is set up to recoup every dollar it invests.

Social businesses also empower populations in need, transforming them from beneficiaries of charitable aid to independent consumers who have a choice and a stake in their own futures. Social businesses can achieve greater accountability and efficiency by tracking sales figures and working with a business mindset (BCG, 2013).

Business Benefits: Social businesses allow companies to directly use their skills, expertise, and business network to address a particular social problem like traditional, donation-based corporate social responsibility activities. Social business activities can be aligned with the core commercial business in this way.

This alignment not only generates lasting social impact but also can lead to tangible business benefits. *The most important business benefit of social businesses is the potential for learning and innovation.* Social businesses can also provide valuable insights into the legal, regulatory and political environments. Social businesses also provide less tangible but equally important employee benefits.

Giving employees an opportunity to become involved in a social business can give them a sense of purpose and new personal and professional-development opportunities. By providing experiences that enrich the lives of their employees, companies can strengthen employee engagement, job satisfaction and retention. These type of experiences are specially valued by today's "Millennial" generations (those born between 1980 and 2000).

For members of this generation, experiencing a sense of purpose is an integral part of their lives and plays an integral role in their career choices (BCG, 2013). Achieving true social impact can

also enhance a company's reputation and brand by helping to build a network and goodwill with important stakeholders.

2.11 Expanding Economic Theory of Social Business

The economist argues that a fundamental flaw in present-day economic theory lies in the misinterpretation of human nature. The people who are engaged in business dedicated to only one mission- to maximize profit. With reference to churches, non-profits and volunteer organizations, the economist argues that human beings are not only controlled by profit motive but also unselfish motivations not reflected in economics.

The real fact about the human being is that they are multidimensional beings and they can define business in a broader way, the character of capitalism could be transformed and the new avenues can be opened for the solution of unsolved problems (Yunus, 2009).

Yunus assumed that human beings and entrepreneurs respectively have two sources of motivation, mutually exclusive but equally compelling (i) maximizing profit and (ii) doing good to others (Yunus, 2006). Each type of motivation translating into a separate kind of institution, he argues the first profit-maximizing business and the second social business.

According to Yunus social business is a commercial viable business. A social business company has to generate enough income to cover its own costs, recover the initial amount invested and allow for expansion.

The Bangladeshi economist tends to use the word "surplus" to make a distinction between the overplus required for a commercially viable social business and the profits earned by conventional companies. The success of social business should be measured by the contribution of an entrepreneur makes to human welfare as opposed to using money as a measure of business success for profit-maximizing companies. Yunus (2010) distinguishes two types of social business with reference to ownership and profit distribution

Table 2.4: Types of Social business

Two types of Social Business		
	Type 1: Non-loss, non-dividend company with a primary social purpose	Type 2: Profit-maximizing company owned by its poor target beneficiaries.
Purpose	Overcoming poverty in a self-sustaining way.	
Ownership	Investors who seek financial return on	Target beneficiaries directly or through a trust that is

Two types of Social Business		
	investment rather than financial reward.	dedicated to a social business.
Social Business Model	Non-loss making Creation of social benefits through the nature of the products, services and/or operating systems.	Profit maximizing Creating the social benefits through the ownership structure. Product or service might or might not create additional benefits.
Profit regulation	No dividend is given to investors beyond the return of original investment. When the investment amount is paid back, profits stay within the company for expansion and improvement.	All profits are to be distributed to the poor or disadvantaged owners or to go a trust that dedicates the profits to a predefined social case

Source: (Humberg, 2014).

The nature of the products, services and/or the company's operating systems of **Type1** Social business create the social benefit. This kind of social business might provide food, housing, education or other goods to the poor or disadvantaged. Once the initial amount invested is paid back to the investor, all further profits have to be reinvested to expand the company's outreach and improve the quality of its products or services in terms of value for money.

Thus, profits are ultimately passed on to the target beneficiaries in terms of lower price, better service or greater accessibility (Yunus, 2010). In a **Type 2** social business, the social benefits comes from its ownership structure, while goods or services produced might or might not create additional social benefit. Because ownership of the business is assigned to the poor or disadvantaged or a dedicated trust, any financial profits generated by the company's operations should benefit those in need. Theoretically, a social business can also combine both forms of benefits as the Grameen Bank does.

Yunus usually concentrates on Type 1, the non-loss, non-dividend company, reverting to seven principles he developed at the 2009 World Economic Forum in Davos in collaboration with Hans Ritz, Director of the Grameen creative Lab in Germany.

Table 2.5 Principles of Social Business

Seven Principles in Social Business Type 1
1. The business objective is to overcome poverty or one more problems (such as education, health, technology access, and environment) that threaten people and society-not to maximize profit.
2. The company will attain financial and economic sustainability.
3. Investors get back only their investment amount. No dividend is given beyond the return of the original investment.
4. When the investment amount is paid back, profits stay with the company for expansion and improvement.
5. The company will be environmentally conscious.
6. The workforce gets a market wage with better-than-standard working conditions.
7. Do it with joy!!!

Source: (Yunus, 2010)

Together, these principles are supposed to be “a constant remainder of the values that are at the heart of the social business idea”(Yunus,2010). Crucial in Yunus’ concept is to explicitly define social business as excluding the pursuit of individual profit by investors, thus turning the deliberate abdication of personal financial gain by those who invest their time and/or capital into a clear line of demarcation between social business and any other for-profit venture (Humberg, 2014).

According to Yunus (2010) “ any increase in the money going to investors beyond the original investment disqualifies the business from being a social business”. This even applies to an adjustment for inflation.

There are three reasons why he regards the total abdication of personal financial gain as important. The first argument is a **moral** one, claiming that it’s immoral to make profits to the cost of the disadvantaged. The second argument is **pragmatic**: mixed objectives involve conflicts of interests in business planning, whereas decisions in a social business could be measured against a single yardstick.

The third rationale is **systemic**: Yunus wants to establish social business as a distinctive alternative, separate from traditional profit-maximizing business and non-profits or rather charities. Even a small dividend could negatively affect the strength of mental commitment. Total delinking from personal financial gain was essential to change mindsets, reshape economic structures and encourage new thinking (Yunus, 2010).

Yunus' expects that social business could turn into the "most effective institutional mechanism for resolving poverty" when it becomes an integral part of the economic structure. Whether information technology, healthcare, education, renewable energy supply or services for the poor, the main challenges was to produce the desired social results cost-effectively and efficiently (Yunus,2006).

Yunus counts on capital that currently goes support philanthropy with respect to the financial resources needed to develop and implement social business companies. "People will invest in a social business for the same kind of personal satisfaction that they can get from philanthropy"(Yunus, 2007). But due to its self-sustaining character and fact that investors could get back their money, social business would offer more benefits (Humberg, 2014).

Following Yunus, human idealism is a driving force behind the creation of new social business companies. Soon the educational system would adjust to the multidimensional reality of human nature, teaching students a new kind of economic theory that involves both traditional profit-maximizing and social business, thus inspiring them to create their own companies to address challenges ranging from unemployment, health and sanitation to pollution, demographic change and crime. A recent boom in the creation of academic social business chair and institutes in Asia, Europe, and North America supports this predication (Humberg , 2014).

Yunus has started to create a series of companies that are consciously designed according to his concept in order to demonstrate the practical feasibility of his concept. With reference to the replications of the micro-credit model, the economist acts on the assumption that once viable prototypes have been developed, they could be replicated all across the globe. The scope of investment opportunities of social business would be greater than profit-maximizing companies because of social business company is free from the pressure of earning profit for the owners. Arguing that profit maximizing companies needed to assure a minimum financial return on investment, social business could theoretically go down to a near-zero profit level, thus involving new options in product and service provision or job creation(Yunus,2009).

Yunus emphasizes the role of government in giving legal recognition to social business and creating regulatory bodies to ensure transparency with respect to setting up a supportive infrastructure (Yunus, 2010).

2.12 Perception of Entrepreneur

Schiffmann (1990, as cited in Jones and George, 2008) defined perception as the process through which people select, organize and interpret what they see, hear, touch, smell and taste to give meaning and order to the world around them.

According to Rollinson (2008) perception is a mental process involving the selection, organization, structuring and interpretation of information in order to make inferences and give meaning to the information. Perception is a process of being aware of one's environment through the senses

How one perceives the world consequently determines how one reacts to it. Perception involves analyzing and interpreting items picked out by the senses in order to assign meaning to them. How one interprets and analyzes a sensory reception is determined by many factors which include cultural setting, memories, values, imaginations and past experiences. As such, different people will perceive the same object differently because the content and degree of these influences is different. Consequently perception is not external reality.

Perception is the way a particular person thinks about the reality; it is a subjective reality (Lindsay and Norman, 1977). Perception is influenced by various factors that are often referred to as **perceptual set**. The factors that influence perception and create perceptual set are discussed below:

The Influence of motivation on perception: There are suggestions that the extent of our motivation affects the speed and way in which we perceive the world. Bruner & Goodman (1947) aimed to show how motivation may influence perception. They asked rich and poor children to estimate the sizes of coins and the poor children over-estimated the sizes of coins and the poor children over-estimated the size of every coin more than the rich children.

The influence of expectation on perception: Expectation is the idea that what people want to see and it is influenced by what people expect to see. Expectation can be useful because it allows the perceiver to focus their attention on particular aspects of the incoming sensory stimulation and helps them to know how to deal with the selected data- how to classify it, understand it and name it.

The influence of emotion on perception: Many researchers suggest that people's emotional state affects the way that people perceive. For example, there is a term "perceptual defence" (McGinnies, 1949) which refers to the effects of emotion on perception.

The influence of culture on perception: The entrepreneur's perception of the distance or degree of uncertainty may vary and thus influence the main effect of the distance between home and host environments. For Chrisman et al. (2002), the way the entrepreneurs perceive the environment is influenced by culture and this perception will in turn influence the entrepreneurs' strategic choices and their enterprise's performance. The entrepreneurs' perception may depend on the extent to which they have integrated the host culture and how comfortable they feel about it.

Perception plays a critical role in entrepreneurship. If a person has a positive perception towards entrepreneurship it is likely that the person will engage in an entrepreneurial act (GEM, 2010). Endogenous and exogenous factors shape the perception of entrepreneurship of a person. Endogenous factors are those that are within one's control and relate to issues such as character.

The exogenous factors are beyond a person's control and relate to environmental issues such as taxation rates, inflation and recession. While these factors may affect all, those with a positive perception of entrepreneurship will perceive themselves as having what it takes to overcome hurdles (Moy and Wright, 2003).

An individual's perception of self and environment determine the goals the individual sets for him/herself and the expected outcome of actions taken. The perception of opportunity, alongside motivation and access to means to pursue the opportunity, is seen as a prerequisite condition to entrepreneurial behavior.

Kruegar and Brazeal (1994, as cited in Brijlal, 2011) asserted that perceptions about entrepreneurship are extremely important and set the foundation for becoming an entrepreneur long before an individual actually makes the decision to become one. An entrepreneur is a person who creates new business by taking risks and uncertainties in order to gain some benefits and growth in business by identifying the opportunities and in combining different resources required to establish the new business (Zimmerer and Scarborough, 2004). Brockhaus (1980) identified that risk to tolerance or ambiguity tolerance does not affect entrepreneurs differently.

Some authors defined entrepreneurship via three related components: innovativeness, risk taking and proactiveness (Covin and Slevin, 1989; Zahra, 1993). These three components represent the trigger for the action of entrepreneurs oriented to the creation of enterprises and self-employment.

This tendency was recognized by the group of authors citing that entrepreneurs drive job formation through self-employment and small-business creation (Barth, *et. al.*, 2006). Innovativeness, risk taking and proactiveness, these parameters are not only used to analyze the entrepreneurial behavior of a person, but also are used to analyze the entrepreneurial orientation of an organization or company (Kickul, 2002; Hagen and Zucchella, 2011).

Therefore, these factors are common and characteristics of entrepreneurial behavior both within an organization and the individual level (Dess et al., 1997). McGee (2009) recognizes basic tasks associated to entrepreneurial skills, such as recognizing opportunities, managing uncertainty and risk, and innovation.

2.12.1 Perception and Demographic Characteristics of Entrepreneur

Several individual variables including gender, age and prior experience are important factors to determine the perception or intention of entrepreneur. The gender factor has been closely scrutinized in many past studies (Kristiansen and Indarti, 2004, Scheiner et al., 2004; Langowitz and Minniti, 2007; Zhang et al., 2009; Haus et al., 2013). It is expected and also observed that males have stronger entrepreneurship aspiration than females (Wang and Wang, 2004).

Similarly, age has been identified as one of the most important determinants of entrepreneurship (Parker, 2009), although the relationship is often reported as non-linear (Georgellis, 2005). Some studies have suggested that entrepreneurial intention or perception increases up to a certain age then decreases, although the cut-off age is inconclusive (Schwarz et al., 2009, Verheul et al., 2012).

Furthermore, in terms of prior entrepreneurial, it is assumed that persons with prior experience may be more likely to act on their ideas (Dimov, 2007). Individuals with no clear plan of action are more likely to rely on their previous experiences to gauge intentions (Ajzen, 2002).

Prior start-up experience provides tacit and explicit knowledge, role familiarity, and social networks that can further entrepreneurial aspiration (Farrar et al., 2011).

2.12.2 Experience for Social Business

It is assumed that persons with prior experience of doing social business may be more likely to act on their ideas. Many big companies are now approaching the Grameen to create social business joint ventures, because they want to make sure that it is done the right way. Once they become experienced in social business, they will take the concept wherever the need exists (Yunus, 2011).

People of all ages and social backgrounds with his belief that a person's altruistic dimension can be expressed in the economic field through a new type of business whose owners aim to create a social benefit for the poor rather than a financial benefit for themselves. Young people are particularly sensitive to this approach; many of them wish to gain their professional experience by working for social and ethical organizations and are ready to make sacrifices in terms of salary to do so (Perron, 2011).

2.12.3 Creativity and Innovation.

Entrepreneurs exploit market opportunities through innovation processes. Creativity and innovation play a key role in the behavior of entrepreneur. Therefore, it is the instrument by which entrepreneurs exploit change as an opportunity that did not exist before (Drucker, 2003).

Several authors (Veciana, 1989, de Pablo, 2004, Ward, 2004, Liñan, 2007) identify creativity as a basic competency of entrepreneurs. Some authors feel that creativity is synonymous of innovation and initiative (Kickul, 2002, Saboia y Martin, 2006). Creativity is a set that includes multiple attributes and the differences between people is, among other factors, the style of creative thinking (Ward, 2004; Sternberg, 2005).

In the early stages of education, motivating and stimulating the creative thinking is considered as essential. Because of the global intensification of economy and technological evolution, creativity and innovation are needed (Veciana ,1996 and 2007).

Growth and competitive strategies based on the identification of new business opportunities have become very important for this reason. According to Sánchez (2006), creativity is not only the product of genetic, rather it is related to the behavior and personality and therefore it may be modified as the individual gets to know itself.

Some authors (Liñan, 2007) highlight the need of strengthening creativity in the educational system because the development of this competence may be essential to recognize opportunities. In addition, several authors (Esteve, 2008; Falk and Woessmann, 2011) associate in a positive way creativity with entrepreneurial preference. Ward (2004) concludes that the concept of creativity is a complex phenomenon that cannot be explained only as a process of generating new ideas.

2.12.4 Innovation for Social Business

Social businesses have long been recognized as what Rosabeth Moss Kanter, of Harvard Business School, has called “beta site innovation”. The best research and development lab ever of Danone’s social business in Bangladesh started in 2005. To be sure, low-cost businesses do often trigger innovation processes and design, but the innovation of social businesses trends to be more radical, because they are trying to maintain the original quality of their products and services.

The manager of Mobiliz said, developing the Dacia (Renault’s low-cost car in Europe) was a formidable challenge for Renault. This company started with existing cars but left no stone unturned to make it cheaper. In a sense, they were going downward. But in the social business model, the company put the constrained customer, not the product, at the centre of the action and then the company would be able to go upward. As a result, companies can identify ways to increase access to their commercial products as well.

Social business innovates in many ways: product innovation, innovation in production process, innovation and distribution channels to achieve its social objective. In addition, seeking the lowest possible prices to make a product affordable to the poorest puts pressure on the trading model. Social business models also spark innovation through the high level of collaboration they involve. In particular, they enable companies to leverage existing in the not for profit sectors.

2.12.5 Motivation and Entrepreneurship

The topic of motivation in the entrepreneurship literature has evolved along a path similar to that of the organizational psychology field. From an organizational psychology perspective, theories of motivation have progressed from static, content-oriented theories to dynamic, process-oriented theories, a framework suggested by Campbell et al. (1970). Content theories search for the

specific things within individuals that initiate, direct, sustain, and stop behavior. Process theories explain how behavior is initiated, directed, sustained, and stopped.

Gilad and Levine (1986) proposed two closely-related explanations of entrepreneurial motivation, the “push” theory and the “pull” theory. The “push” theory argues that individuals are pushed into entrepreneurship by negative external forces, such as job dissatisfaction, difficulty finding employment, insufficient salary, or inflexible work schedule.

The “pull” theory contends that individuals are attracted into entrepreneurial activities seeking independence, self-fulfillment, wealth, and other desirable outcomes. Research (Keeble et al., 1992; Orhan and Scott, 2001) indicates that individuals become entrepreneurs primarily due to “pull” factors, rather than “push” factors.

For instance, Hamilton’s (2000) evidence strongly suggests that self-employment offers substantial non-financial benefits, such as "being your own boss". Several studies hold that entrepreneurs find special importance in their independence (Blanchflower,2000).

2.12.6 Motivation for Social Business

Motivations or desires are inputs of social innovation. Social innovations are innovative activities and services that are motivated by the goal of meeting a social need (Mulgan, 2006). Human beings engaged in business are portrayed as one-dimensional beings whose only mission is to maximize profit. 250 years back Adam Smith saw that human beings are multidimensional beings, they are not a money making robot; their happiness comes from many sources- not just from making money.

According to Yunus human beings and entrepreneurs respectively have two sources of motivation, mutually exclusive but equally compelling: (i) maximizing profit and (ii) doing good to others (Yunus, 2006).

Each type of motivation translating into a separate kind of institution, the first one is known as profit-maximizing business and the second one is known as social business. Entrepreneurs start social business due to pull factors. The motivation of social business entrepreneurs will be to enjoy the pride and pleasure of helping to solve difficult social problems.

Companies of all sizes can be motivated to develop a social business in their field of expertise like Grameen Danone Ltd, Grameen Health Care Trust etc. These companies and their managers may have altruistic motives but they will also want to use social business to promote their images to the outside world and to create a spirit of cohesion and motivation internally among their employees (Perron, 2011).

Social business models generate a lot of motivation and meaning for workers, who are often less engaged when their employer's sole purpose is to make shareholders happy. This level of motivation certainly translates into higher rates of employee retention and productivity.

2.12.7 Risk Taking for Entrepreneur

Risk taking is the rejection or low tolerance that a person shows in risk situations. The entrepreneur has been associated to a person who takes risks throughout history. Therefore, among the psychological conditions that characterize entrepreneurs are tolerance and risk management. For this reason, entrepreneurial behavior has generally been associated with moderate levels of risk appetite in the person (McCelland, 1961; Sexton and Bowman, 1983).

Lüthje & Franke (2003) and Sanchez (2005) found evidence of the influence of risk taking in the formation of entrepreneurial intentions. This relationship reflects a positive effect of risk tolerance on entrepreneurial choice.

Cano (2003) continues this line, ensuring that the propensity to take moderate risk and tolerance to the uncertainty are other psychological traits associated with the entrepreneur (Van Auken, 2013). Entrepreneurial cognition research has focused on risk perceptions as an important factor influencing the start-up process (Simon et al., 2000). A high risk perception is expected to be a negative influence on entrepreneurial intention.

Risk perception may be considered as a consequence of fear of failure (Arenius and Minniti 2005), that is to say, fear of the uncertainty about the economic or even social and psychological rewards inherent to the venture creation process. People who are inclined to risky behavior are high risk tolerance. Therefore, they will consider alternatives whose ultimate consequences could vary their frame of outcome expectations. Meanwhile, subjects with low risk tolerance will tend to low-risk behavior, and avoid alternatives that may cause results to stay away from their expectations.

2.12.8 Risk for Social Business

Social business entrepreneurs have to manage financial, psychological and social risks for implementing the social business. A social business organization needs capital whether in the form of debt or equity like any business project. Whilst some of the financing requirement, particularly for the production cycle, could come from bank debt under standard terms and conditions, equity and long-term asset financing requires resources in order to be better geared to the Social Business (SB) model.

Social business innovates in many ways: product innovation, innovation in production processes, innovation in methods and distribution channels to achieve its social objective (Perron, 2011). One of the biggest challenges for social business is to sell products at affordable prices to the world's neediest- often the poorest of the poor-while generating enough revenue to be financially self-sustaining. This can be a major hurdle for social business to overcome (BCG, 2015).

For all these reasons, social business initiatives will find it difficult to convince traditional lenders to provide the long-term funds they need. As regards equity, the risks inherent in the business and the lack of any return or capital gain for the owners will discourage traditional venture capitalists and more generally, private equity funds from investing alongside the project promoter.

The development of social business will therefore have to be driven by the creation of special social business funds geared to the approach recommended by Professor Yunus, which can support projects over the long-term and without gain.

A gold standard should create for social businesses in the area of customer and employee care and protection, financial performance and benefit, ownership, social performance, environmental impact etc are the challenges in ensuring the integrity and long-term success of the social business movement.

The social business field must develop the ideal regulatory framework and not leave it to people who do not understand social business. The social business field must establish funding streams that are plentiful and that don't entice social businesses away from their original mission and vision. The social business field must create awards to recognize social businesses that reach and empower the most destitute and marginalized people – that restore their honor and worth.

2.12.9 Proactivity of Entrepreneur

Proactivity is related to take the initiative, to anticipate and exploit new opportunities (Entrialgo et al, 2010). Proactive personalities identify opportunities and act on them, show initiative, take direct actions and persevere until they get a significant change. However, non proactive people fail to identify and act on opportunities to change things. Proactivity implies an emphasis on anticipating and preventing problems before they happen.

Proactive behaviors tend to prefer the entrepreneurial option in the comfort to a paid employment (Seibert and Crant, 2001). Shapero (1975) believes that an entrepreneur has initiative, organizes social and economic mechanisms and accepts the risk.

Thus, Crant (1996) finds a positive relationship between proactive and entrepreneurial intention that influence perception of entrepreneur.

2.12.10 Proactivity for Social Business

Grameen Bank has graduated thousands of students by providing loan but for most of them have no jobs. They are very frustrated and at this point Grameen Bank launched another campaign to redirect their mind from traditional path of hunting for jobs to creating jobs for themselves and other through entrepreneurship. Grameen Bank invited them to keep repeating to themselves that “We are not job-seekers, we are job-givers”. Grameen Bank inspires them to create businesses, with Grameen Bank loans, instead of hunting for jobs. Those persons who chose that path and took loans from Grameen Bank, are called Nobin Udyokta (NU) or New Entrepreneurs (Yunus, 2015).

As the idea of social businesses was catching up by 2013, Grameen Design lab felt that they need a platform where they could bring the entrepreneurs to present their social business designs in the front of a group of experienced business executives and social activities, to seek their advice (Yunus, 2015). More and more Business Schools should come forward to design and offer social business courses and business management degrees to train young managers how to manage social businesses in the most efficient manner and most of all, to inspire them to become social business entrepreneurs themselves.

Today the world is in possession of amazingly powerful technology. Everyday technology is growing very fast, becoming more powerful. As a kind of vehicle, one can drive it to any destination one wants. Since the present owners of technology want to travel to the peaks of profit-making, technology takes them there. If someone else decides to use the existing technology to end poverty, it can take the owner in that direction. If another owner wants to use it to end diseases, technology will go there. The choice is ours.

The present theoretical framework does not give this choice inclusion of social business would create this choice. Using technology for one purpose doesn't make it less effective for serving different purpose. Actually, it is the other way around.

The more diverse use we make of technology, the more powerful it becomes. Using technology for solving social problems will not reduce its effectiveness for money-making use, but rather will enhance it. The owners of social businesses can direct the power of technology to solve our growing list of social and economic problems, and get quick results.

2.12.11 Education for Entrepreneur

Authors Gorji and Rahimian (2011) agreed with this, stating whether individuals are born entrepreneurs or that entrepreneur will become through academic education. Education is undoubtedly an important determinant of the successful/unsuccessful entrepreneurs. Generally accepted attitude is that for successfully start of business venture as well as latter development, adequate funding and provision of adequate financial resources is important.

Education about entrepreneurship and for entrepreneurship according to Friedrich and Visser (2005) will increase students' interest in becoming entrepreneurs at some stage after graduation.

Krueger and Brazeal (1994, as cited in Brijlal, 2011) depicted in their model of entrepreneurial potential that education improves the perceived feasibility for entrepreneurship by self-efficacy. It also improves the perceived desirability for entrepreneurship by showing students that this activity is highly regarded and socially accepted by the community and that it can be a personally rewarding work. These perceptions are vital to develop in students who believe that they will become self employed after graduation.

Walstad and Kourilsky (1998) stated that students are also introduced to entrepreneurship through education on the grounds of careers. A vital dimension of socialization that contributes to entrepreneurial career is the education and training that the individual receives. Thus, students should be introduced to entrepreneurship as a career option and should be offered alternative perspective to their preconceived career orientation towards more traditional occupations. Many contemporary studies have shown that the average entrepreneur is slightly more educated than the general population.

2.12.12 Education for Social Business

For successful social business entrepreneur should have education and knowledge regarding social problems and need of the customers. For many reasons, getting target populations to buy and properly use a new social product is difficult. Products offered by social businesses may address needs that consumers aren't that they have. A lack of education may keep people from understanding the value that the social business is offering. Deeply entrenched behaviors and cultural or religious norms are often hard to change and require specific education to ensure proper usage of the product.

A social business must develop marketing that effectively reaches and communicates a clear value proposition to the population in need to create demand for its offering (BCG, 2015).

This is an area where the capabilities of the business and social sectors need to merge. While the business sector can provide the needed marketing expertise, this must be adapted to the social sector's knowledge of the drivers behind customer behaviors in the targeted populations.

Many of the Grameen social businesses draw on the knowledge of local people to guide their marketing efforts. For example, the Grameen ladies are integral to the sale and marketing of many social businesses because they have firsthand knowledge of their neighbors' needs. The Grameen ladies offer a critical avenue for creating demand by explaining product benefits in a way that's understandable to the target population and identifying opportunities for new products (BCG, 2015).

Even once demand is generated, customers often need to be educated on the proper usage of the offering. Several of the Grameen social businesses, such as Grameen Danone Foods and Grameen Veolia Water, offer products that require regular usage to be effective. Other offerings,

such as the solar home systems of Grameen Shakti, require proper usage to maximize the effectiveness and working life of the product.

To successfully change behavior, social businesses must go beyond traditional marketing and try new methods and channels such as educating consumers through door-to-door outreach and through advocacy by early adopters.

Grameen Danone Foods, for example, educates customers through small-scale events featuring a female student lecturing on the product's nutritional benefits. Grameen Veolia Water uses local leaders to help overcome long-held beliefs and behaviors that are obstacles to behavior change. These efforts often require time, patience and persistence. Social business model is an iterative learning process that involves time and effort, trial and error.

2.12.13 Expectation of Entrepreneur

Vroom (1964) explained his cognitive expectancy framework model that an individual will choose among alternative behaviors by considering which behavior will lead to the most desirable outcome. Motivation is conceptualized as the product of expectancy, instrumentality, and valence. Expectancy is analogous to measures such as perceived feasibility and self-efficacy used in other models predicting entrepreneurial intentions.

Praag and Cramer (2001) found that people would become entrepreneurs if the expected rewards surpass the wages of employment. Because expected rewards depended on assessments of individual ability and attitudes towards risk, perceptions of entrepreneurial feasibility were included. Thus the model, like expectancy theory, finds entrepreneurial activity to be a function of feasibility and desirability. Levesque et al. (2002) examined the choice between employment and self-employment in a utility-maximizing model that changes according to the individual's age (i.e. stage of life).

2.12.14 Expectation for Social Business

Expectation is the idea that what entrepreneurs of social businesses want to see and it is influenced by what social business entrepreneurs expect to see. The entrepreneurs of social business want to ensure that nobody needs to remain unemployed, they want to get a society without poverty and without state charity to support the unemployed (Yunus, 2015).

Unemployment is an artificial creation of our faulty conceptual framework. It is not to human beings. Human beings are doers; they are go-getters. A true human being holds the potential of assuming any of the many diversified possibilities. Human being is a selfless, caring, sharing, trusting, community-building and friendly.

Entrepreneurs of social business consider different social problems like poverty, education, health care, unemployment etc as a problem and want to solve it by doing a business and they want to ensure that they have no unemployed youth in their area. Entrepreneurs of social businesses inspire youth to become entrepreneurs (Yunus, 2015). Unemployment cannot be solved by creating employment. Unemployment should be resolved by creating entrepreneurship.

Social businesses entrepreneurs consider themselves they can do what they want, they have the power to create a world without poverty, without unemployment, without income disparity, without endangering the planet, without wars and weapons, with equality, friendship and peace (Yunus, 2015).

2.12.15 Culture for Entrepreneur

Culture refers to the customary practices and beliefs that have a significant impact on the basic values, perceptions, preferences, and behaviors of people (Nayab, 2011). Hofstede defines culture as "the collective programming of the mind which distinguishes the members of one group or category of people from another" (1991). The mental programming referred to by Hofstede consists of shared values, beliefs and norms.

These mental constructs influence how people socialized within a particular culture perceive events; they also help to determine what behaviors are considered appropriate or inappropriate in various social situations. Since the mental programming is shared, i.e. developed through years of socialization within a culture, it results in relatively predictable responses to commonly experienced social situations or contexts.

These characteristic patterns of behavior create differences between cultures that may be observed and the influence of cultural differences on social processes such as entrepreneuring may be predicted if the underlying social values and norms are known. In a massive study encompassing fifty-three countries, Hofstede identified four value-oriented dimensions of culture that may be used to describe and explain aspects of behavior in various cultural groups. These

dimensions are: (1) power distance, (2) uncertainty avoidance, (3) individualism, and, (3) masculinity (Russell, 2004).

Power distance

Power distance is a general measure of the degree of interpersonal influence that those who hold power in a social structure can exert over those who lack power. According to Hofstede, it is the difference between the extents to which a superior in a social hierarchy can determine the behavior of a subordinate compared to the extent that the subordinate can determine the behavior of the superior.

Power distance is seen as being socially determined and, therefore, can be used as a criterion for establishing differences between cultures. It can stand as a measure of the degree of authoritarianism that characterizes social relations within a country or region. In high power distance societies, inequality between social groups is expected as part of a "natural" order; consequently, there tends to be large social and economic gaps between those who have power and those who do not. In addition, movement between high and low power groups is restricted, creating a tendency toward distinct social classes with little exchange between the groups (Abzari et al., 2011).

Uncertainty avoidance (UA)

Time's arrow is aimed inextricably into the future and does not permit reliable forecasts concerning its targets. Unfolding events are unpredictable by nature, creating ambiguity and anxiety among those experiencing time's changes. The level of anxiety experienced by members of a culture due to ambiguous events may vary as a function of the society's values and beliefs. Uncertainty avoidance (UA) is a measure that indicates a group's level of anxiety regarding future events. It evaluates the degree of tolerance within a culture for the ambiguity that is inherent in a continuously unfolding future.

Hofstede finds that cultures differ in their degree of tolerance for uncertainty and notes that methods for coping with ambiguity are at least partially determined by cultural programming. Societies attempt to manage uncertainty through rules, technologies, laws and rituals in order to protect members from anxiety. These devices standardize the behavior of society members and make the outcome of social processes more predictable.

In countries characterized by a high degree of UA, social relations tend to be relatively formal; rules and procedures are heavily relied on to standardize the behavior of group members. Workers in countries that score high on Hofstede's UA index tend to prefer larger organizations, seeking the security of employment that large companies can offer.

In contrast, low UA societies tend to produce less formal organizations with fewer written rules and procedures. Turnover in these organizations is often higher than in high UA regions since loyalty is not as prized. Competition and conflict among organizational members is more accepted; in fact, they are viewed as positive processes in many contexts, leading to innovation and improvement. Risk-taking behavior is more acceptable and resistance to change is not as great in low UA than in high UA countries (Abzari et al., 2011).

Individualism

The third cultural factor cited by Hofstede is individualism. This is a measure that indicates the degree to which individual identity and self-concept are linked to collective groups within society. In individualistic societies, personal values and goals are the prime determinant of behavior and self-identity. Conversely, in collectivist societies group values and goals predominate and individual desires are considered to be subservient to or derived from group values; consequently, self-identity is derived primarily from group membership rather than individual characteristics.

The process of social change has a different focus depending upon a society's orientation on the individualism scale. In individualistic cultures, social change is accomplished by converting a large-enough number of individuals to new practices or beliefs. The focus of change efforts is the individual and change occurs when a critical aggregate of individuals believe that change is necessary. The focus of change efforts in collectivist cultures is the group itself which must be converted en masse - change does not take place unless the social collectivity itself converts to new beliefs. As a consequence, social change in collective cultures is often dramatic, sudden and all-encompassing although it may take a long time to occur (Abzari et al., 2011).

Masculinity

Hofstede's final cultural dimension is masculinity. Despite its name, this construct does not measure specific differences between male and female; rather, it refers to learned styles of behavior that have been stereotypically applied to males and females. The masculinity measure evaluates the general tendency to act either assertively (masculine) or in a nurturing manner

(feminine). In high masculinity societies, individuals tend to set high performance standards and act forcefully to achieve these standards. Achievement motivation is high within these societies and markers of achievement such as earnings, formal recognition and advancement are relatively more important than work climate and relationship issues. Independent rather than group decision making is preferred.

In societies with a low masculinity index, nurturance issues are more prominent. A desirable work environment is defined in terms of high quality social relationships, friendly organizational climates and employment security. Achievement motivation is relatively weak and organizational effectiveness is defined in terms of social climate and the quality of human contact. Group decision-making is preferred over individual initiatives (Abzari et al., 2011).

2.12.16 Culture for Social Business

In today's world power distance is available in our society, 85 individuals own more wealth than all those in the bottom half. Top half of the world population own 99% the wealth of the world, leaving only 1% for the bottom half. This phenomenon is clearly consistent with the cultural factors of power distance.

Today's societies are high power distance societies, inequality between social groups is observed as part of a "natural" order; consequently, there tends to be large social and economic gaps between those who have power and those who do not. An unequal society is of no benefit to a country and a country with high inequality is of no use to anyone or anything when it comes to making the world a better place.

Conversely, with equality everyone benefits, companies are able to employ more people, and more people enjoy higher level of disposable income, while allowing the companies to grow in return, thus entering into a global virtuous prosperity cycle.

On the other hand education gives people hope as it opens doors for them: to start their own social businesses, to think positively and to come out of the state of deprivation and gain a better place in society. Educated people could work on their own social businesses and further help the society; contribute in bringing more people out of poverty and inequality. According to Yunus (2015) this is the only way to mitigate inequality slowly but surely.

Now a day, young people of the world, come across the unemployment problem. Young people who are educated with high school education, college education and even university education,

but are unemployed. They have no jobs. Bangladesh does not have many jobs for them and this is extremely frustrating. Societies may attempt to manage uncertainty through social business, rules, technologies, laws and rituals in order to protect those young people from frustration.

According to Yunus (2015) three zeros are very important objective, zero poverty, zero unemployment and zero carbon emission. Social business, youth, technology and good governance are needed to achieve these three zeros. Technologies, particularly ICT, with progressively higher levels of creativity, the speed of accessing information are changing the world faster and faster.

The third cultural factor cited by Hofstede is individualism that is very much related to social businesses. In individualistic cultures, social change is accomplished by converting a large-enough number of job-seekers to job givers through new practices or beliefs like social businesses. In our society we have a lot of educated people are unemployed and we can redirect their mind from traditional path of hunting for jobs to creating jobs for themselves and others, through entrepreneurship.

The fourth and final dimension of culture is masculinity which is also related to social businesses. In high masculinity societies, individuals tend to set high performance standards and act forcefully to achieve these standards.

Achievement motivation is high within these societies and markers of achievement such as earnings, formal recognition and advancement are relatively more important than work climate and relationship issues. In case of social businesses principle, masculinity index is low where a desirable work environment is defined in terms of high quality social relationships, friendly organizational climates and employment security.

Social businesses are gender sensitive and environmentally conscious and the workforce gets market wage with better than standard working conditions.

2.12.17 Overall Perception of Entrepreneur

Various entrepreneurial intention models have been used in the study of entrepreneurial intentions that influence the perception of entrepreneurs but the theory of planned behavior (TPB) and Shapero and Sokol's model are the two most dominant models (Nabi and Holden, 2008, Nabi et al., 2010, Linan and Nabi, 2011; Miralles et al., 2012).

Nabi et al. (2010) suggest that both the TPB and SEE (Shapero and Sokol's entrepreneurial event) models have the potential to contribute to individual change and are valuable in understanding the determinants of an individual's preference for an entrepreneurial career.

Kolvereid, Iakovleva and Kickul (2007) concluded that the TPB and SEE models can be successfully integrated into one model. The SEE model suggests that entrepreneurial intentions can be predicted from perceived desirability, perceived feasibility and propensity to act (Krueger et al., 2000).

In this model an entrepreneurial event is more likely to emerge when individuals feel attracted to the act of starting a business, have perceptions that they are personally capable of starting a business and have an inclination to act on their own decisions.

The TPB is an extension to the theory of reasoned action that was developed by Ajzen and Fishbein in 1980 (Ajzen, 2005). Ajzen and Cote (2008) regard the TPB as the most influential and popular framework for the prediction of human behavior. The TPB suggests that the most important immediate determinant of action is a person's intention to perform or not to perform that action (Ajzen, 2005).

The intention of entrepreneur is influenced by behavioral beliefs, normative beliefs and control beliefs (Ajzen, 2005, 2012; Ajzen and Cote, 2008). Individuals' actions are guided by their beliefs concerning: the likely outcomes of performing the behavior and how they evaluate these outcomes; whether significant others expect them to engage in the behavior and the motivation to comply with these expectations; and whether factors that may facilitate or impede the performance of the behavior are available and the perceived power of these factors (Ajzen, 2005, 2012).

Entrepreneurship is defined as a field of study that examines 'how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated and exploited' (Shane and Venkataraman, 2000). The exploitation of an entrepreneurial opportunity depends on entrepreneurs' perceptions regarding its expected value.

Ajzen (2005) argues that people develop attitudes from the beliefs they hold about the consequences of performing the behavior. These consequences of the behavior are referred to as behavioral beliefs, outcome experiences or costs and benefits (Ajzen and Fishbein, 2005). More recently, a number of studies have investigated how salient beliefs or perceived outcomes of

entrepreneurship affect the intention of starting a business. Choo and Wong (2006) reported that both intrinsic and extrinsic rewards influence the intention to start a business. Prior research has revealed that the attitude towards entrepreneurship are influenced by salient beliefs with regards to autonomy, authority, economic opportunity and self-realization (Kolvereid and Isaksen, 2006), independence, self-actualization and financial success (Fretschner and Weber, 2013).

Vanevenhoven and Liguori (2013) found that entrepreneurial outcome expectations that include financial rewards, independence/autonomy, personal rewards and family security are significantly related to entrepreneurial intentions and self-efficacy. This means that individuals are more likely to have strong intentions of starting a business and belief that they are personally capable of doing so when the act would result in the achievement of these entrepreneurial outcomes.

Individuals are also more likely to view the entrepreneurial behavior favorably when it is approved and positively valued by those close to them and when they strongly believe that they possess the necessary skills to carry out the behavior (Liñán et al., 2013).

Perceived behavioral control refers to individuals' assessments of the degree to which they are capable of performing a given behavior. It is determined by control beliefs concerning the availability of factors that can facilitate or impede performance of the behavior (Ajzen and Cote, 2008).

These factors may be external or internal and include the availability of resources and opportunities, information, skills and abilities, emotions and compulsions, dependence on others, past experience with the behavior, second-hand information about the behavior, observing the experiences of acquaintances and friends and other factors that increase or decrease the perceived difficulty of performing the behavior in question (Ajzen, 2005, 2011, 2012).

Individuals are more likely to feel capable of performing the entrepreneurial behavior when it is approved and positively valued by others in the society (Liñán et al., 2013). Positive valuations of the entrepreneurial behavior in both the closer environment and the social environment enhance one's perception of having entrepreneurial skills which in turn influences perceived behavioral control.

From the above discussion, it can be deduced that one's intention of doing anything plays a significant role to analyze his/her perception. Individuals are more likely to form intentions to do

anything when they think or perceive anything. The more individuals perceive that significant others would approve of them when performing a specific behavior, the likelihood of engaging in the behavior increases.

This also has a positive effect on perceptions regarding the personal capability to execute the behavior and its attractiveness (Oruoch, 2006; Liñán et al., 2011; Garcia-Rodríguez et al., 2013). In order to identify the overall perception of entrepreneurs, preference of doing anything, realization and understanding about any subject may play an important role.

2.12.18 Dimensions of Perception of Entrepreneur

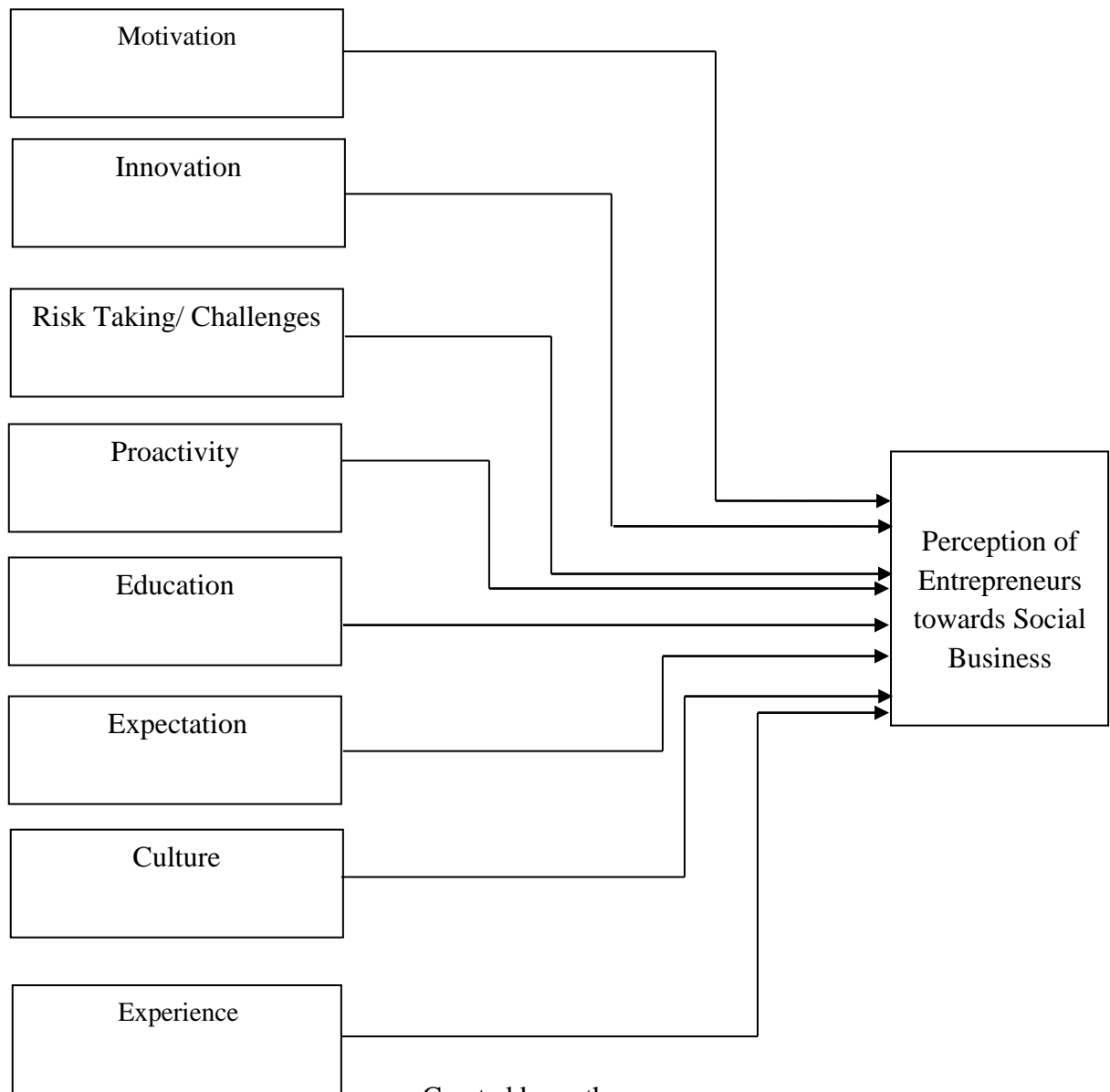
Table 2.6: Dimensions of perception of entrepreneurs

Variables Name	Description	Sources
Motivation	Motivations or desires are inputs of social innovation. Motivation helps to solve social need.	Mulgan(2006),Perron, (2011) Blanchflower (2000).
Experience	It is assumed that persons with prior experience of doing social business may be more likely to act on their ideas. Prior start-up experience provides tacit and explicit knowledge that increase entrepreneurial aspiration.	Dimov(2007),Ajzen(2002), Farmar et al. (2011).
Innovation	Creativity is a basic competency of entrepreneurs. Creativity is a set that includes multiple attributes and the differences between people is, among other factors, the style of creative thinking.	Veciana(1989), De Pablo, (2004) Ward(2004), Liñan, (2007),Ward(2004), Sternberg(2005).
Risk taking/ Challenging	Entrepreneurial behavior has generally been associated with moderate levels of risk appetite in the person.	(McCelland (1961) Sexton and Bowman (1983), Lüthje & Franke (2003), Sanchez (2005)

Variables Name	Description	Sources
Proactivity	Proactivity is related to take the initiative, to anticipate and exploit new opportunities. Proactive behaviors tend to prefer the entrepreneurial option in the comfort to a paid employment. Siibert and Crant believe that an entrepreneur has initiative, organizes social and economic mechanisms and accepts the risk	Entrialgo et al,(2010), Seibert and Crant(2001). Shapero (1975)
Education	Education improves the perceived feasibility for entrepreneurship by self-efficacy. Individuals are born entrepreneurs or that entrepreneur will become through academic education.	Krueger and Brazeal(1994), Gorji and Rahimian (2011)
Expectation	People become entrepreneurs if the expected rewards surpass the wages of employment. Entrepreneurial activity is a function of feasibility and desirability.	Vroom(1964), Praag and Cramer (2001), Levesque et al. (2002)
Culture	Four value-oriented dimensions of culture that may be used to describe and explain aspects of behavior in various cultural groups. These dimensions are: (1) power distance, (2) uncertainty avoidance, (3) individualism, and, (3) masculinity	Hofstede(1991) Russell, (2004).

Source: Created by Author

From the above literature review, the following research model can be drawn

Figure 2.4: Research Model for perception of Entrepreneurs towards social business

2.13 Chapter Summary

This chapter summarizes the theoretical framework of this study. The main objective of this study is to analyze the perception of entrepreneurs of Bangladesh about social business. This chapter describes what factors influence the perception of entrepreneurs. On the basis of the literature review, this chapter summarizes the constructs that directly or indirectly influence on the perception of entrepreneurs. A conceptual model has been developed to analyze the perception of entrepreneurs in this chapter. This chapter also describes the differences between social business and traditional business, similarities and dissimilarities among profit, non-profit and social business.

3.1 Introduction

According to Yunus (2012), enthusiasm for social business in Bangladesh is less than other countries of the world. The awareness of social business among the business community in Japan or France is mentionable; they are coming towards social business and doing things. Two studies confirm that there are surprisingly few publicly known social (business) enterprises beyond BRAC's commercial ventures and Yunus' own pro-poor companies (Shahnaz and Min, 2009).

Although social businesses and similar hybrid models that combine social impact and business principles are still an emerging concept, they clearly have tremendous potential. A few discussions about the social entrepreneurship and social business in Bangladesh are given below. The social entrepreneurship and social businesses that are currently operating in Bangladesh can be classified into the following categories.

- (i) Entrepreneurial non-profits with income-generating activities
- (ii) Social business (Grameen) (Type 1 and Type 2) and
- (iii) Socially responsible businesses (Humberg, 2014)

3.2 Entrepreneurial Non-profits with income generating activities

In 1972 Fazle Hasan Abed founded a small-scale relief and rehabilitation project BRAC (formerly Bangladesh Rehabilitation Assistance Committee), one of the largest NGO in the world in terms of scale and reach. Its programs cover more than 80 million people in Bangladesh. BRAC is employing more than 60,000 people and organizing an additional 60,000 self-employed health volunteers, agriculture and livestock agents and part-time teachers.

In terms of staff size BRAC is the largest NGO in Bangladesh. Today, BRAC reaches an estimated 110 million people in nine countries across Asia and Africa. BRAC covers all 64 districts with more than 2600 field offices in Bangladesh (BRAC, 2011). BRAC has a focus on women like Grameen Bank. BRAC forms 30 to 40 people as a group to deliver services in the areas of human rights, legal aid, education, health services and microfinance.

Self-reliance is a key theme at BRAC. BRAC started as a fully donor funded relief but now it is about 70% self-financed by operating a variety of commercial ventures. Its 17 "social enterprises" range from retailing handicrafts, tea estates, dairy and food projects to investments in a printing press.

BRAC enterprises do not pursue shareholder profit exclusively but aim to benefit their stakeholders through their operation. BRAC's social enterprises try to create value chain linkages

that increase their members' productivity and reduce their entrepreneurial risks, while at the same time creating jobs. Surplus funds support BRAC's non-income activities in health and education.

14 social enterprises of BRAC have combined sales of US\$96 million and a net surplus of US\$8.5 million at present (BRAC, 2011). Aarong and BRAC dairy are the most widely known social enterprises in the retail sector in Bangladesh. In 1978, Aarong was set up as a fair trade organization to promote local crafts.

Today, Aarong supports 65,000 local artisans. BRAC Dairy was initiated in 1998 to provide fair milk prices to the members of BRAC's village organizations, creating a linkage to the market and protecting farmers from price volatility. From 92 stations in 25 districts BRAC dairy collects milk. Both Aarong and BRAC Dairy fit into the socially responsible business category.

SPhulki- is a non-profit organization that has been working with disadvantaged children and mother since 1991. Suraiya Haque, founder of phulki and a former Ashoka Fellow, recognized the need to ensure a secure future for children while their mothers are working to earn a living (e.g., in Dhaka's garment factories).

Phulki strives for the rights of women and children to be universally recognized and achieved. Currently, Phulki has programs addressing children 6 weeks to 18 years of age through the establishment of childcare centers and training programs for domestic workers. Phulki has managed to convince factory owners that social responsibility pays off in monetary terms; free provision of childcare facilities and sanitary napkins in garment factories have increased women's working days, productivity and retention by means of "business case" logic (Humberg,2014).

Phulki still regards donation as a valuable source of funding though generating revenue streams through training programs for care givers, factory supervision (to prove their compliance) and consultancy(Phulki,2011). However, Phulki could be transformed into a non-loss, non-dividend venture, from a business point of view.

Unnayan Bikalper Nitinirdharoni Gobeshona (UBINIG), the Bengali term for Policy Research for Development Alternative, is a non-governmental organization that promotes quality and justice, diversity and promotion of social rights and responsibilities. UBINIG seeks to train communities in environmental concerns, trade policies, family planning and labor rights, particularly as they apply to women employed in the garment sector.

Better known is the NGO's outlet called Prabartana. Prabartana supports rural artisans and weavers in the development and production of their crafts by giving advice on design, costing,

quality control, and market access. Weavers are then able to sell their products to local markets and to Prabartana at a fair price. Parbartana, in turn, sells the products in one of its outlet in Dhaka with information about the product to promote greater awareness of Bangladesh's textile traditions. Profits are ploughed back into UBINIG's activities (Pabartana, 2009).

3.3 Grameen Social Businesses (Type 1 and Type 2)

Muhammad Yunus has created more than ten (Grameen) social business ventures in Bangladesh during the last six years. The first two were launched in Bogra District. In May 2008, one year after Grameen Danone Foods Ltd had started to produce its fortified yoghurt product; the Grameen Green Children Eyecare Clinic opened its gate in the plant's direct vicinity.

Various foreign corporations have approached Yunus to pro-poor social business joint ventures. Among these were: four companies from Europe (Veolia Water, a French supplier of water services; BASF SE, the world largest chemical company from Germany; the German sports apparel manufacturer Adidas, and Otto, the world's largest mail order company, also from Germany).

Two from Japan (the country's leading agro-company Yukiguni Maitake and the Fast Retailing Company, a corporation that runs casual wear store chain called Uniqlo). One each from the United States (Intel corporation, a global technology company) and Bahrain (IES Alliance, a fiberglass company). IES Alliance is, however, owned by native Bangladeshi (Yunus centre, 2010).

All companies partner with one or more Grameen organizations such as Grameen Healthcare Ltd., Grameen Krishi Foundation or Grameen Trust. Up to now, multinational corporations have dominated the (Grameen) social business scene. There are only two ventures that involve partners from the public or non-profit sector.

The Grameen Caledonian University College of Nursing in Dhaka was started in partnership with the Scottish Glasgow Caledonian University and the Eye care Clinic initiative was driven by the Green Children Foundation, a non-profit organization run by two singers from the US and the UK. Strictly speaking, the Eyecare venture is owned by Grameen Healthcare Services Ltd (GHS), a Grameen organization that was originally registered under Bangladesh's Companies Act back in 1994. In 2006, it was transformed into a (Grameen) social business Type 1 (GHS, 2009).

The following tables are a brief description of Grameen Social business in Bangladesh

3.3.1 Grameen Danone

Grameen Danone founded in 2007 produce Yogurt that contains vitamin A, iron, zinc and iodine. This Yogurt fights against malnutrition of children. A brief description of Grameen Danone is given in the following table.

Table 3.1 Grammen Danone

Impetus	Business Model	Operations	Status and Outlook	Impact
<p>Social Problem</p> <p>(i) 56% of the world's preschool-aged children are undernourished.</p> <p>(ii) The severe effects of malnutrition cause economic underdevelopment.</p> <p>(i) Poverty</p> <p>Danone's objectives</p> <p>-Fight malnutrition among children.</p> <p>Fulfill the mission; "Bring health through Food".</p> <p>-Reduce poverty by introducing local communities in all stages of the</p>	<p>Product</p> <p>Yogurt fortified with micro-nutrients.</p> <p>Delivers 30% of a child's daily needs in vitamin A, iron, zinc, and iodine.</p> <p>Price</p> <p>Differentiated among regions because of logistics costs.</p> <p>€0.08 for rural areas.</p> <p>€0.10 for urban areas.</p> <p>Place</p> <p>-production in Bogra.</p> <p>-Two distribution channels: (i)</p>	<p>Two equal partners</p> <p>-50/50 joint venture.</p> <p>-Grameen provides local and social know-how.</p> <p>-Danone provides product and technical know-how.</p> <p>-Danone communities Fund</p> <p>-Grameen Credit Agricole.</p> <p>Separate legal entity</p> <p>-Guarantees</p>	<p>Founded in February 2007</p> <p>Current status</p> <p>-Sales increased from 5,000 to 87,000 cups sold per day.</p> <p>-Adaptation of business strategy.</p> <p>-New nonchilled product launched.</p> <p>Outlook</p> <p>-Business expected to breakeven in 2015.</p> <p>-Business aspires to scale up.</p>	<p>Financial Status 2011</p> <p>-Revenues: €1 million.</p> <p>Social impact</p> <p>-More than 300,000 customers.</p> <p>-Johns Hopkins University's first-draft results showed positive impact on physical and cognitive development.</p> <p>-1500 jobs created (and opportunities</p>

Impetus	Business Model	Operations	Status and Outlook	Impact
business model. - Learn to work with stakeholders. - Learn about the bottom of the economic pyramid (BOP). -Create a meaningful workplace for employees.	innovative door to door approach in rural Bogra (ii) small retailers in some regions. Promotion: Consumers are educated on benefits and proper usage.	independence.		for income generation)

Source: BCG, 2013

3.3.2 Grameen Veolia Water

Grameen Veolia is a pure drinking water company established in 2008 at Goalmari. In Goalmari, there is a shortage of pure drinking water. About 83% tube wells water is contaminated with arsenic in Goalmari. Grameen Veolia delivers pure drinking water to the arsenic affected area. A brief description of Grameen Veolia Company is given below

Table 3.2 Grammen Veolia Water

Impetus	Business Model	Operations	Status and Outlook	Impact
Social Problem (i) 37 million to 77 million people are at risk of arsenic poisoning. (ii) In Goalmari, 83% of the tube wells are	Product -Delivering drinking water through tap point network and subsidizing the cost with jar sales in Dhaka.	Two partners -75/25 joint venture. -Veolia Water(75%) provides technical know-how.	Founded in March 2008 Current status (2013) -Infrastructure serving 7,000 people and 250 direct clients in	Financial Status 2012 -Operating Expenditure: €70,000. Revenues: €40,000

Impetus	Business Model	Operations	Status and Outlook	Impact
<p>contaminated.</p> <p>(iii) Arsenic has severe-to-fatal consequences on health.</p> <p>Veolia's objectives</p> <p>-Develop know-how to serve the bottom of the economic pyramid(BOP) and test new service approaches.</p> <p>- Contribute to the local public health situation and to the Millennium Development Goals.</p>	<p>Price</p> <p>€0.025 for 10 liters of water in the village.</p> <p>€0.80 per jar in Dhaka.</p> <p>Place</p> <p>-Goalmari and Padua for village distribution.</p> <p>-Dhaka City offices for jars</p> <p>Promotion:</p> <p>-Adapted customer approach: education on public health in the rural areas.</p> <p>- Customer stewardship in Dhaka.</p>	<p>-Grameen Health Care Services (25%) provides local and social know-how.</p> <p>Separate legal entity</p> <p>-Guarantees independence.</p> <p>More than €600,000 to date for plant, pipeline network, jars and jar factory.</p>	<p>Dhaka (offices).</p> <p>-300,000 liters sold per month</p> <p>-Plant utilization: 5%</p> <p>Outlook</p> <p>-Develop new means of distribution (via jars) and new target market(Dhaka) for cross-subsidization.</p> <p>-Develop rural sales</p> <p>-Business projected to break even in 2015.</p>	<p>Social impact 2013</p> <p>-Customers: -40,000 targeted in Goalmari and padua. Current customers:7000.</p> <p>-Public service: all social segments have access to water.</p> <p>-Health: reduced arsenic poisoning.</p> <p>Employment: 21 employees, 45 keepers and 10 jar distributors.</p>

Source: BCG, 2013

3.3.3 Grameen BASF

Grameen BASF founded in March 2009, provides affordable price nets for the customers. The objective of BASF is to deliver insecticides free nets that protect human being from malaria. A brief description of BASF is given below:

Table 3.3 Grammen BASF

Impetus	Business Model	Operations	Status and Outlook	Impact
<p>Social Problem</p> <p>(i) 11 million people in Bangladesh are at risk of malaria.</p> <p>(ii) 84,000 cases in 2009</p> <p>(iii) Dengue has also been a critical problem since 2008.</p> <p>BASF's objectives</p> <p>-Develop affordable protection against insect-borne diseases.</p> <p>-Develop affordable.</p> <p>-Foster implementation of ethical and social aspects into</p>	<p>Product</p> <p>-Long-lasting (2 to 5 years) insecticide treated nets.</p> <p>-Customized nets suitable for the Bangladesh market.</p> <p>Price</p> <p>-€7.5 with foreign production.</p> <p>€6.0 with new local production.</p> <p>Place and promotion</p> <p>-All of Bangladesh including the malaria regions.</p>	<p>Social Business</p> <p>Joint ventures</p> <p>-BASF (99.5%) provides product and technical know-how</p> <p>-Grameen Healthcare trust(0.5%) provides local and local know-how.</p> <p>Separate legal entity</p> <p>-Guarantees independence.</p> <p>Initial Investment of €200,000</p> <p>-Provided by BASF</p> <p>-Additional supply of 100,000 mosquito nets.</p> <p>-Products from</p>	<p>Founded in March 2009</p> <p>Current status</p> <p>Capacity: 3000 nets per machine per day with full capacity; for one shift production is 1000.</p> <p>-75,000 nets sold to date</p> <p>-Adaptation to local market.</p> <p>Outlook</p> <p>-Sell 200,000 mosquito nets through 2015.</p> <p>-3 machines in the future.</p> <p>-Nets for 3 million people.</p> <p>-50 employees at Grameen Fabrics & Fashions.</p>	<p>Financial Status 2012</p> <p>-Operating</p> <p>Expenditure: €198,000.</p> <p>Revenues: €171,000</p> <p>Social impact</p> <p>-Health: protection against insect-borne diseases for more than 75,000 families.</p>

Impetus	Business Model	Operations	Status and Outlook	Impact
core business. -Learn about the bottom of the economic Pyramid (BOP).		Grameen Fabrics & Fashions.		

Source: BCG, 2013

3.3.4 Grameen Intel

The aim of Grammen Intel Social Business Ltd is to help the world's underprivileged population by using technology. Grameen Intel also addresses the social problem of lack of agricultural efficiency and effective use of fertilizer. It also focuses on post-maternity deaths and pregnancy related complications. The following table shows a brief summary of this company.

Table 3.4 Grammen Intel

Impetus	Business Model	Operations	Status and Outlook	Impact
Social Problem (i) Lack of agricultural efficiency and unsystematic use of fertilizer. (ii) 12000 mothers die annually in Bangladesh from pregnancy-related	Product -Software for computer and mobile devices. -Soil test and advice for the type and amount of fertilizer needed. -Screen for high-risk factors in pregnancy.	Grameen Intel Social Business -Intel provides product and technical know-how. -Grameen provides local implementation knowledge. Separate legal	Founded in March 2009 Current status 3 software products for sale. Outlook -Projected to break even in 2018. -2013 goal -technology	Financial Status 2012 -Operating Expenditure: €225,000. Revenues measured as cost recovery: 10 to 15% of expenses. Social impact -Agriculture -924 farmers using

Impetus	Business Model	Operations	Status and Outlook	Impact
<p>complications.</p> <p>(iii)Limited access to medical care.</p> <p>Intel’s motivation</p> <p>-Mission of Intel’s world Ahead Program- “connecting people to a world of opportunity”.</p> <p>-Learn about the bottom of the Pyramid(BOP) for potential entry into the market.</p>	<p>Price (Planned)</p> <p>-Grameen Intel Software: €7.5.</p> <p>-End-customer service: €1.25 per soil test.</p> <p>Place and promotion</p> <p>-Local entrepreneur uses software on mobile devices to offer services in the communities.</p>	<p>entity</p> <p>-Guarantees independence.</p> <p>Initial Investment</p> <p>-Intel Capital and Grameen Trust are shareholders.</p>	<p>adoption.</p> <p>-more than 100 third-party service hubs serving a community of more than 20,000 farmers.</p> <p>-more than 1200 mothers using the pregnancy-care product.</p> <p>-Launch of five new products.</p> <p>-Future scale-up in India, Bangladesh and Macedonia.</p>	<p>soil analysis.</p> <p>-lower input costs and higher output.</p> <p>-Health</p> <p>-1354 pregnant women screened.</p> <p>-early risk detection, mortality reduction.</p> <p>-Employment: 110 jobs and job multiplier that ensures additional and better job opportunities for farmers and women.</p>

Source: BCG, 2013

3.3.5 Grameen Yukiguni Maitake

The objective of Grameen Yukiguni Maitake is to address unemployment, poverty and malnutrition problems in Bangladesh. The objective of this company is to provide sustainable, safe and reliable supply of mung beans for Japanese market. A brief description of this company is given in the following table.

Table 3.5 Grammen Yukiguni Maitake

Impetus	Business Model	Operations	Status and Outlook	Impact
<p>Social Problem</p> <p>(i) Underemployment, poverty and malnutrition in Bangladesh.</p> <p>(ii) Women face particular hardship.</p> <p>(iii) Lack of knowledge in the agricultural sector.</p> <p>(iv) Poor agricultural efficiency.</p> <p>Yukiguni Maitake's objectives</p> <p>-Sustainable, safe and reliable supply of mung beans for Japanese market.</p> <p>-Stable price level.</p>	<p>Product</p> <p>-Cultivation and processing of large and small mung beans.</p> <p>Price</p> <p>-7 BDT (Bangladeshi taka) per kilogram.</p> <p>-The price farmers receive can be higher than the local market pays.</p> <p>Place and promotion</p> <p>-60% of sales go to Japan.</p> <p>-40% of sales go to Bangladesh.</p>	<p>Social Business</p> <p>Joint ventures</p> <p>-Grameen Krishi Foundation provides local know-how.</p> <p>-Yukiguni Maitake provides product and technical know-how</p> <p>Separate legal entity</p> <p>-Guarantees independence.</p> <p>Total Investment</p> <p>- Yukiguni Maitake: €2 million.</p> <p>-Grameen Krishi Foundation: €20000.</p>	<p>Founded in October 2010</p> <p>2012 status</p> <p>-Cultivation in 13 districts across more than 2000 hectares.</p> <p>-Yield: 1500 metric tons</p> <p>-Exported 231 metric tons to Japan.</p> <p>-Cultivation is also in the coastal area despite the salinity problem.</p> <p>-Improved quality.</p> <p>Outlook</p> <p>-Expected to export more than 1000 metric tons to Japan.</p> <p>-will employ 10,000 farmers in 2015</p>	<p>Financial Status 2012</p> <p>-Operating</p> <p>Expenditure: €435,000.</p> <p>Revenues: €237,000</p> <p>Social impact</p> <p>Employment: 8000</p> <p>Job created in 2012:</p> <p>-On average farmer's income increased 20% over last year's levels.</p> <p>-Improved quality due to Japanese technical know-how.</p> <p>-Agricultural efficiency increased from 800 kg per hectare to 1200 kg per hectare.</p>

Source: BCG, 2013

3.3.6 Grameen GC Eye Care Hospital

The aim of this hospital is to extend its wide range of eye care services to the people at affordable rates. It also addresses the prevailing problem of blindness in Bangladesh. It also aware the people regarding preventing measures of blindness. The following table describes its objective, status and impact of social problem.

Table 3.6 Grammen GC Eye Care Hospital

Impetus	Business Model	Operations	Status and Outlook	Impact
<p>Social Problem</p> <p>(i) 750,000 blind people.</p> <p>(ii) 250,000 people with ametropia (low vision) problems</p> <p>(iii) 3million people with other eye problems.</p> <p>(iv) There are only 1400 ophthalmologists in Bangladesh.</p> <p>(v) Poverty prevents people from seeking surgery and appropriate eye care.</p>	<p>Product</p> <p>-Three hospitals offering general eye examination and special surgery.</p> <p>Price</p> <p>-Approximately €40 to €320 for surgery.</p> <p>-20% cheaper than competitors</p> <p>-Free or subsidized as necessary.</p> <p>Place and promotion</p> <p>-Bogra, Barisal and Thakurgaon.</p> <p>-Eye camps for the bottom of the economic</p>	<p>Social Business</p> <p>-Operated by Grameen Healthcare services.</p> <p>-Seva Foundation bears the cost; medical training at aravind India.</p> <p>-Lavelle Fund and the Calvert Foundation: equipment.</p> <p>-Grants/donations: Green Children Foundation; International women's Health Coalition; shareholders of Grameen Health Care services, Grameen Telecom</p>	<p>Founded in 2007</p> <p>Current status</p> <p>-545,000 patients treated through September 2013.</p> <p>-320 surgeries a month.</p> <p>-237 employees, 1st hospital broke even in 2010.</p> <p>Outlook</p> <p>-Objectives through 2020.</p> <p>-have at least six hospitals with a ophthalmologist available.</p> <p>-perform 60,000 cataract surgeries</p> <p>-treat more than 565,000 patients.</p>	<p>Financial Status 2012</p> <p>-Operating Expenditure: €557,000.</p> <p>-Revenues: €542,000.</p> <p>-The expenditures are largely related to the recently established third hospital.</p> <p>Social impact</p> <p>-545,000 people treated to date</p> <p>-Including 20,000 cataract surgeries.</p> <p>-Avoided average cumulative loss</p>

Impetus	Business Model	Operations	Status and Outlook	Impact
	pyramid (BOP).	trust, Grameen Kalyan, Grameen Shakti. -€ 850,000 in funding		for Bangladesh's GDP over the lifetime of treated patients €4.5 billion. -Employment: 237 jobs created.

Source: BCG, 2013

3.3.7 Grameen Caledonian College of Nursing

The aim of this college is to deliver an international quality of nursing and midwifery education and research. It also promotes the values of holistic and community focused care. A short description of operations, impact and business model of this college is given below in the table.

Table 3.7 Grammen Caledonian College

Impetus	Business Model	Operations	Status and Outlook	Impact
<p>Social Problem</p> <p>(i) Lack of nurses: Only 1 nurse for every 6300 people.</p> <p>(ii) Ratio of nurses to doctors is 1:2 instead of the typical 3:1.</p> <p>(iii) Poor maternal and child health is a persistent problem in</p>	<p>Product</p> <p>-Nursing/midwifery School to contribute to nursing healthcare.</p> <p>-Diploma Program for young women from rural areas.</p> <p>Price</p> <p>-€3,700 in total</p> <p>-Low-interest loans</p>	<p>Three partners</p> <p>-School of Health and Life sciences.</p> <p>Department of Nursing and Community Health at Glasgow Caledonian University.</p> <p>-Nike</p>	<p>Founded in January 2010</p> <p>Current status</p> <p>-180 applicants in 2012 for 50 seats.</p> <p>-138 students currently enrolled.</p> <p>Outlook</p>	<p>Financial Status 2011</p> <p>-Operating Expenditure: €180,000.</p> <p>-Revenues: €90,000.</p> <p>Social impact</p> <p>Empowerment of disadvantaged</p>

Impetus	Business Model	Operations	Status and Outlook	Impact
Bangladesh. (iv)Lack of access to medical care among poor and rural populations. Partners' Objective -Empower girls -Prepare nurses to meet international standards of healthcare. -Develop leaders and change agents for the future.	provided by Grameen Bank. Place and promotion -College in Dhaka -Students must be daughters of Grameen Bank borrowers.	Foundation -Grameen Healthcare Trust. Legal Setup -Approval from the Bangladesh Nursing Council for degreed program in Nursing and midwifery. -€ 310,000 in initial funding Provided by Nike foundation.	-550 students are expected in 2015 -Expanding to 70 students per year. -New programs to start.	youth. Improved ratio of nurses to doctors. -Positive effect on maternal and child health.

Source: BCG, 2013

3.3.8 Grameen Shakti

The objectives of Grameen Shakti Ltd are to create self-employment and job for others, to enhance socio-economic status of poor families in the country, to help the entrepreneurs to development and establish their business and to empower poor entrepreneurs through promoting their business by providing technical and financial support.

Table 3.8 Grammen Shakti

Impetus	Business Model	Operations	Status and Outlook	Impact
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Impetus	Business Model	Operations	Status and Outlook	Impact
<p>Social Problem</p> <p>(i) Low living standard and unhealthy environment in rural areas.</p> <p>(ii) Lack of electricity: 70% of households were not connected to electricity.</p> <p>(iii) Indoor air pollution: kerosene stoves pose high fire risk and cause eye irritation due to smoke.</p> <p>(iv) Lack of access to medical care among poor and rural populations.</p>	<p>Product</p> <p>-Solar home systems</p> <p>-Improved cooking stoves</p> <p>-Small biogas plants</p> <p>Price</p> <p>-Two-burner cooking stoves: €9</p> <p>-Biogas plant: €400</p> <p>Place and promotion</p> <p>-Sales and service via rural offices</p> <p>-Technical training for users and maintenance</p> <p>service provided by Grameen Technology centre.</p>	<p>Standalone business in cooperation with:</p> <p>- World Bank</p> <p>-Infrastructure Development Company Limited.</p> <p>Initial Investment of -€90,000</p> <p>USAID and others.</p> <p>Key Challenge</p> <p>-Manage high rates of attrition.</p>	<p>Founded in 1996 not-for-profit business</p> <p>Social business since December 2010</p> <p>Current status</p> <p>-Reached break-even point in 2000.</p> <p>-CAGR:55%</p> <p>-Market share for solar home systems: 50%</p> <p>-More than 1.7 million products sold.</p> <p>Outlook</p> <p>-Scale-up planned.</p>	<p>Financial Status 2012</p> <p>-Operating Expenditure: €71.4 million.</p> <p>-Revenues: €72.77 million.</p> <p>Social impact</p> <p>-8 million beneficiaries</p> <p>-Energy access, improved health environment, reduced deforestation.</p> <p>-800,000 tons of carbon dioxide saved per year through biogas, cooking stoves and solar home systems.</p> <p>-More than 12,000 jobs created.</p>

Source: BCG, 2013

3.3.9 Grameen Distribution

The objectives of Grameen Distribution are to spread a reliable network of providing essential goods to the doors of potential customers who otherwise do not have an option of shopping or buying any necessities, to involve the ladies of villages as ‘marketing ladies’ who have the capability of selling goods and to eradicate unemployment among women and empowering them.

Table 3.9 Grammen Distribution

Impetus	Business Model	Operations	Status and Outlook	Impact
<p>Social Problem</p> <p>(i) Remote Bangladeshis lack access to a variety of daily consumer products of high quality.</p> <p>(ii) Prices often exceed customers’ purchasing power</p> <p>(iii) Few job opportunities in Bangladesh especially for women.</p>	<p>Product</p> <p>-Variety of products: telecommunication, energy and health.</p> <p>Price</p> <p>-Affordable for poor.</p> <p>-Price is ~10% below competitor’s price.</p> <p>Place and promotion</p> <p>-Distribution and marketing via shops and decentralized sales force of Grameen Marketing Network.</p>	<p>Standalone business with partners</p> <p>- BASF</p> <p>- Canadian Solar Technologies.</p> <p>-Grameen Fabrics & Fashions.</p> <p>-Johnson & Johnson</p> <p>-Square consumer products.</p> <p>-Lal Teer Seed.</p> <p>-ID Group.</p> <p>-Tetley ACI Tea.</p> <p>-€1.4 million in funding in 2012</p> <p>-Grameen Telecom Trust:</p>	<p>Social Business since March 2011</p> <p>Current status</p> <p>-118 employees around the country.</p> <p>-More than 9000 salespeople.</p> <p>-Hit break-even point in 2011</p> <p>-568,000 products sold in 2012.</p> <p>Outlook</p> <p>-Extend the social impact of the product portfolio.</p>	<p>Financial Status 2012</p> <p>-Operating Expenditure: ~€0.4 million.</p> <p>-Cost of goods sold: ~€3.27 million</p> <p>-Revenues: ~€3.7 million.</p> <p>Social impact</p> <p>-Reaches ~9 million households in remote areas.</p> <p>-supplies social and normal daily consumer goods.</p> <p>-Creates 9000 jobs</p>

Impetus	Business Model	Operations	Status and Outlook	Impact
		95% -Grameen Kalyan: 5%.		-Provides income and empowerment for women.

Source: BCG, 2013

3.3.10 Grameen Fabrics and Fashions

The aims of Grammeen and Fashion are to generate employment especially focusing on women empowerment and employment equality, to address lack of adequate employment opportunities and export good quality products to other countries. A brief description of this company is given below.

Table 3.10 Grammen Fabrics and Fashion

Impetus	Business Model	Operations	Status and Outlook	Impact
<p>Social Problem</p> <p>(i) ~40% of Bangladeshis are underemployed.</p> <p>(ii) Production capacity is lacking for social products</p> <p>(iii) Little foreign currency in</p>	<p>Product</p> <p>-Produce goods to address specific social problems (such as bed nets to combat malaria and dengue)</p> <p>-Produce products for export to earn foreign currency</p> <p>-Create employment.</p>	<p>Standalone business</p> <p>- Chemicals from BASF</p> <p>- Mesh fabric from local supplier.</p> <p>Total Planned investment: €45 million.</p>	<p>Production began in February 2012</p> <p>Current status</p> <p>-Capacity 2500 nets per machine per day.</p> <p>-Market share is</p>	<p>Financial Status 2012</p> <p>-Operating Expenditure: ~€604,000</p> <p>-Revenues: ~€364,600</p> <p>Social impact</p> <p>-Health: Protection</p>

Impetus	Business Model	Operations	Status and Outlook	Impact
Bangladesh.	<p>Price</p> <p>~€5 for small net. ~€6 for large net.</p> <p>Place and promotion</p> <p>-Production at Social Business Industrial Park.</p>	<p>-Grameen Telecom Trust:~€7 million.</p> <p>-Operations, Gramen Bank, and other companies: ~€38 million from</p> <p>Initial Investment of €4.34 million</p> <p>-Grameen Telecom Trust:~3.9 million.</p> <p>-Grammen Bank: ~€0.44 million.</p>	<p>below 1%.</p> <p>Outlook</p> <p>-Increase capacity to 3 machines producing 7500 nets per day.</p> <p>-Composite knitwear unit is in development</p> <p>-planned production of 60,000 ready-made garments per day.</p> <p>-8000 employees planed by 2017.</p>	<p>against insect-borne diseases for more than 75,000 families.</p> <p>-</p> <p>Employment: ~450 jobs created.</p> <p>-Offers social services for employees, such as a day care center and education for employees children.</p> <p>-Earning of foreign currency.</p>

Source: BCG, 2013

3.4 Socially Responsible Businesses

In Bangladesh, there are several hybrid organizations that combine a social and or environmental mission with a profit motive alongside Yunus' social business. Those pioneers can be represented for two reasons: firstly, they demonstrate the rare existence of double or triple bottom-lines companies in Bangladesh and secondly, they indicate how fine the lines between the different organizational forms outlined in the social business taxonomy are in reality (Humberg, 2014).

Hathay Bunano is a profitable social enterprise that aims to create fair employment opportunities for disadvantaged groups in rural Bangladesh while generating returns comparable

to a for-profit enterprise. Hathay Bunano mainly produces handmade children's products and sells its products worldwide to mainstream retailers and distributors.

Samanta Morshed who was a former investment banker from the UK with a personal investment of US\$500 founded it in 2005. More than 3500 women across a network of 32 cooperatives are working in this organization. Each rural center is effectively a production unit of 50 to 100 women with the aim of providing employment within the community to prevent worker emigration to cities. Currently Hathay Bunano exports about 30,000 products per month to the UK, US, Australia and Europe, generating sufficient returns to be self-sustaining. Key to the enterprise's success was leveraging low labor costs and flexible manufacturing in a niche market (Morshed, 2011 cited by Humberg, 2014).

Eftekhar Enayetullah and Maqsood Sinha, founded **Waste Concern Group** in 1995 that is a privately run company engaged in community-based solid waste management with the mission of transforming the culture of waste management in Dhaka City.

The two founders developed a composting scheme which uses organic waste, saves on landfill area and creates a useful product guided by the philosophy "waste is a resource" (Matsaert, 2006). Today, Waste Concern Group comprises both for-profit and non-profit enterprises. The vision of this group is to contribute to waste recycling, energy supply, and poverty reduction through job creation and sustainable development (Mair and Mitchell, 2009).

The company was set up in direct response to a council policy of reducing from a weekly to a once every other week waste collection in Dhaka. Today, Waste Concern collects 15000 tons of urban waste per day, of which less than 10% go to landfill sites.

Profit is made through sales of compost produced from organic waste and carbon trading. Waste Concern is allowed to claim carbon credits for its composting activities since 2005 after the approval of the UNFCCC.

UNICEF has already initiated the replication of Waste Concern's composting model in 19 towns in Bangladesh (Sinha, 2010, Mair and Mithell, 2009). Apart from Bangladesh, Waste Concern is working towards developing strategies for municipal waste management in Nepal, Pakistan, Sri Lanka, and Vietnam.

Kazi & Kazi Tea Estate Ltd is the only substantial organic tea grower in sustaining the natural and social environment. Being organic means; applying only natural pest and weed controls, using methods that do not harm human health, employing renewable resources, protecting wildlife and maintaining the fertility of the soil (Kazi Tea, 2011).

Kazi Tea garden is located in Panchagarh District, about 50km south of Darjeeling. Initially established to produce high-quality organic tea for both local and foreign markets, Kazi Tea has turned into a showcase of a triple bottom-line business. The company has established a cooperative to run an education, healthcare and cattle lending program for its employees and the wider community, comprising organic farming awareness and adult literacy program as well as a computer lab initiative (BEI, 2010).

Finally, Grameen Phone and CellBazar have brought significant positive social and economic change in Bangladesh. Both companies are running as profit-maximizing businesses. Grampeen Phone is a company jointly owned by the Norwegian mobile telephone operator Telenor and Grameen Telecom. In 1997, starting its operation in rural Bangladesh, the company has brought telephone services to over 100 million Bangladeshis (Sullivan, 2007, Blakely, 2008, Grameen Phone, 2011).

3.5 Legal, Political and Societal Framework

In general, little is known about Bangladesh's legal, political and societal framework for social enterprises and particularly social business. A brief discussion of legal, political and societal framework of social enterprise and social business are given below.

3.5.1 Societal Framework

In Bangladesh, Yunus is certainly a figure of public interest and news about his joint ventures with multinational corporations has been covered in the national media. According to research of ShaRe in the archives of "The Daily Star" a large daily news paper in Bangladesh, Yunus was mentioned in 159 editions between January and December 2008, almost every other day. The term social business occurred only nine times (SHARE, 2010).

According to Humberg (2013) Yunus' social business concept is in fact little understood so far, leading to misconceptions. In the wider public Yunus' non-loss, non-dividend definition is often interpreted as "no profit" and people wonder how companies can be self-sustainable without profits". In sharp contrast to the representatives from either the Yunus center or Grameen Group used the terms "Social business" and "Social enterprise" as if they were interchangeable, even those who were well aware of Yunus' definitions.

Different types of critics could be clustered into those criticizing Yunus' theoretical concept and those questioning its feasibility and impact; either with reference to a lack of domestic

entrepreneurs willing to run such a social business company or with reference to issues around monitoring and evaluation.

Since all the current accounting practices and standards in business are geared to measuring primarily financial performance indicators, social impact measurement involves several conceptual problems. In addition, academic critics have referred to the absence of proper institutional mechanisms that could ensure management's accountability towards poor.

Poor suppliers and employees had little power to influence the company's management rules and participate in decision making due to their private ownership structure. According to Humberg (2013) it is difficult to ensure the integrity of running a social business and ensure the social purpose of private investors.

3.5.2 Legal Framework

So far, there are no specific rules and regulations for social enterprises in Bangladesh, different from countries like the UK or the US. That is why there is no specific legal framework for (Grameen) social business. According to Durreen Shahnaz, cited by Humberg(2013) "It's really, really difficult to be an entrepreneur in Bangladesh, so even forget about social entrepreneurs"

Most of the NGOs of Bangladesh are established under the Societies Registration Act of 1860, which makes them eligible to receive foreign grants and donations, private limited companies have to be registered with the Registrar of joint Stock Companies (Companies Act of 1913, amended 1994), (IRISH and SIMON 2005, ADB 2008).

But according to the International Centre for Civil Society Law, the legal framework for NGOs in Bangladesh is "outdated, confusing and in need of complete revision" (IRISH & SIMON, 2005) cited by Humberg (2013). Although income tax exemption is available, NGOs are subject to VAT, with few exceptions, the fiscal framework especially for NGOs is not supportive. Tax incentives are not adequate, including those regulations concerning the deduction of corporate or individual contributions to NGOs.

The law is not applied to the all NGOs equally; the taxability of income-generating activities needs clarification. According to the legal requirements, the revenue earning from NGOs commercial enterprises need to be spent on charitable purposes in order to be exempt, but the meaning of the meaning of the charitable purposes is of course unclear .

Thus the business sector in Bangladesh frequently points to unfair competition with reference to BRAC's social enterprise.

It is easy to run a commercial social enterprise under the company Act from a regulation perspective. In Bangladesh, Social business companies like BASF Grameen, encounter regular custom duties when importing materials such as insecticides and pay regular business tax. According to the national board of revenue Grameen Danone is a regular tax-paying business under the Companies Act for the following two reasons:

(i) Yunus' model required the investors to keep ownership of the company or shares, respectively. But under the Societies Registration Act, foreign capital injections are considered as non-refundable donations.

(ii) The non-profit status, controlled through the NGO Affairs Bureau and the Prime Minister's Office, was considered as less flexible, since it involved various constraints and stricter regulations for non-profit companies (Humberg, 2014)

Grameen and Grameen Danone imposed Yunus' principles as restrictions on themselves, recorded in the company's Memorandum of Understanding in order to prevent a mission drift. A clearly defined and transparent, audited and monitored regulation is needed in order to ease of formation of future social business ventures.

3.5.3 Political Framework

In the many countries of the world social businesses are to be considered as a poverty reduction strategy. In Germany, their Minister for Economic Cooperation and Development actively promotes social business as a seminal poverty reduction strategy (BMZ, 2011). In contrast, there is a little public advocacy for social entrepreneurship in Bangladesh. In Vision 2021, the Government of Bangladesh has formulated an ambitious idea of a "liberal, progressive and democratic welfare state". Bangladesh should be "a middle-income country where poverty will be drastically reduced" (Board of Investment Bangladesh, 2011).

Inclusive growth based on industrialization and infrastructural development is promoted as the way forward. The only NGOs can work liberally as long as they remain accountable, transparent and outside politics. Innovative social enterprises like BRAC or Grameen Group are missing. Up to now, there is also no explicit policy of CSR (WELTWEIT, 2009; KRLEV, 2010). There is no public funding mechanism such as government grants or social impact bonds geared to the promotion of social enterprise in Bangladesh.

According to MATSAERT (2006), Bangladesh has a number of organizations whose role is to regulate and channel funds for specific social benefits. For example PKSF (Palli Karma Sahayak Foundation) that acts as a proxy regulator and financier of microfinance providers, the social development foundation and the NGO foundation which makes grants to small NGOs with limited budget and operating area.

3.6 Prospects of Social Business in Bangladesh

Social business is a vital tool for the economic development of a country, by solving social problems and creating employment opportunities social business promotes the economic development of any country like Bangladesh. For rural development, social business is the new focal point and for effective rural development it is a strong functional tool. In traditional business and entrepreneurship people are busy for profit and move around development, rather than development moving around people (Rahman, 2013). In future, social business will be the centre of rural development and it will bring about all-around development in the rural areas where majority of the people live.

Although it is not easy to promote social business in the rural areas for the rural development of Bangladesh and it is true that social business cannot offer a quick fix since business takes time to grow. Professor Dr Muhammad Yunus, Nobel laureate and pioneer of social business regards social business strategy is as an effort to build a sustainable entrepreneurial economy through programs and services that promote successful entrepreneurs.

Social business promotes social awareness of entrepreneurship and the value that rural markets can add to the existing goods and services produced in the rural areas under the ambient of social business. Social business proposes a new approach to the development of rural poor people.

The key feature of social business is a greater focus on business networks and clusters rather than individual firms. For example, Grameen-Veolia is a pure drinking water supply company that applies principles of social business in the arsenic prone rural areas. Social business holds that markets market must be made to work in favour of the rural poor people and provide sustainable solutions (Rahman, 2013).

The goals of the Grameen-Veolia company are to achieve social benefits rather than financial returns. According to the concept of social business, there are “neither losses nor dividends”, the returns that will come from this investment will be invested in the similar projects elsewhere. About ten jobs can be created in each of the villages that are involved in this project.

Social business can be a great power to guide a new generation of rural development policy planning and initiatives. Social business can be used to unlock the economic potential of rural people and communities. It can be the one of the best tools to use of inadequate local resources to secure sustainable economic development.

3.7 Chapter Summary

This chapter represents the real scenario of social business in Bangladesh. This chapter also focuses on the social, political and legal framework of social business in Bangladesh. Social business (Grameen, Type I and Type II), non-profits with income-generating activities and socially responsible business, these three forms of social entrepreneurship are available in Bangladesh.

Grameen Bank is currently operating different types type I and type II social business, except Grameen Bank, the scenario of social business activities are poor. This chapter also highlights the prospects of social business for the rural development of Bangladesh.

4.1 Introduction

Yunus Social Business (YSB) is a global social business that incubates and finances local entrepreneurs to build their solutions from the round up. YSB is active in seven countries where local country offices source, coach and mentor entrepreneurs. YSB subsequently finances the most promising social businesses while also providing post-investment support. YSB has developed an innovative, incubate and finance methodology that bridges the gap between social business and philanthropic lenders and donors.

YSB provides financial support to the most promising social businesses in the form of soft loans. YSB also provides on-going advice and support as well as peer-to-peer exchange with other social business entrepreneurs after investment. Professor Mohammad Yunus, as a leader of the social business movement, has pioneered more than 40 social businesses in Bangladesh alone over the past 30 years. Some of these are among the largest companies in the country.

Today, the UN, the EU, development agencies, NGOs, multinational corporations and academic institutions broadly acknowledge the concept. Social businesses are becoming an important tool for economic and social development in many countries. In 2015, Yunus social business has financed 34 social businesses globally.

These companies are now serving over 800,000 customers with essential products or services, including clean water, healthcare, nutritious food, etc and have created over 3000 jobs. YSB is headquartered in Frankfurt, Germany and was co-founder by Professor Muhammad Yunus, who serves as Chairman of the Board, Saskia Bruysten, who serves as CEO and Sophie Eisenmann, who serves as CFO.

The YSB global team has extensive experience in management consulting, finance, international development and entrepreneurship, and coordinates all project countries across the globe, serving as a shared services provider to all countries while developing YSB's overall strategy. The global team further drives process standardization, quality control and knowledge exchange across all countries and final financing decision. The teams of different countries have been busy for identifying, selecting and supporting great entrepreneurs in 7 regions around the world.

Over 500 entrepreneurs have taken part in our world-class accelerator programs since its inception (SBD, 2015).

In many countries of the world, now social business is an important tool for economic and social development. A brief description of the scenario of social business all over the world is given below.

4.2 Yunus Social Business in Haiti

The YSB Haiti office was launched with the support of business partner SAP in 2010. It currently has 12 social businesses. YSB Haiti has extensively supported and coached its social business in their strategic or operational challenges and in doing so, has helped them prepare for financing readiness. This includes negotiation with strategic buyers and suppliers, support in registration of legal procedures, shared working space for start-up phase, facilitation with additional financial partners and support in a turnaround plan.

YSB Haiti's Port-au-Prince office continues to receive business plans from all over Haiti in 2014, a special focus was put into working with Haitian entrepreneurs on implementing the Haiti Forest initiative- to develop agro-forestry social businesses, creating good jobs and planting trees and developing social businesses in two other distinct parts of Haiti: in the North and Cavaillon, a peri-urban city in the South of Haiti (SBD, 2015).

Digo distribution is a distribution social business that is working with its partner "Les industries Digo", the only major manufacturer of domestic cleaning products in Haiti. Digo distribution works with micro-entrepreneurs to help them to sell these products to end customers and at the end of 2014 had built up a network of 100 points of sale, providing increased incomes to over 100 micro-entrepreneurs and allowing customers to save up to 30% of the price of cleaning products (SBD, 2015).

Digo allows customer to bring their own plastic containers to sales points and fill these up with as much or as little as they need. This reduces the cost to the customer and this innovative solution is reducing plastic waste in Haiti.

About 70% of the nation of Haiti relies on the agricultural sector and widespread deforestation has resulted-with now just of 2% of Haiti having tree cover. Simultaneously, crippling poverty is a central issue, with 78% of Haitians living under the national poverty line.

YSB has joined hands with Sir Richard Branson, Virgin Unite and the Clinton Foundation to set up the Haiti Forest initiative in order to address this issue. The initiative has two main objectives in developing a social business ecosystem- i) increase tree cover and regenerate the

environmental benefits of trees (ii) improve livelihoods of smallholder farmers who are the key to breaking the deforestation cycle and igniting a reforestation dynamic.

It is an innovative bottom-up approach to reforestation, setting up a chain of interlinked social businesses that aim to create markets in agro forestry products, such as fruits, nuts and oils. The social businesses not only cultivate, but also engage in processing; thereby ensuring that economic value is created and retained in the Haitian economy (SBD, 2015).

4.3 Yunus Social Business in Colombia

YSB Colombia was created in 2011 originally as Grameen Caldas and officially became YSB Colombia in 2013. It currently manages a portfolio of 2 social businesses to date, including a joint venture with potato giant McCain. The objective of McCain and YSB is to improve the living conditions of poor farmers worldwide. Among eight countries, Colombia got selected for a pilot model approach. Campo Vivo Negocio Social S.A.S emerged in 2014 as a corporate social business joint venture between McCain and YSB, combining their respective know-how in agronomy and social business incubation (SBD, 2015).

Campo Vivo intervenes in the agricultural value chain by developing competencies in small-scale farmers, strengthening the social tissue and promoting competitive productive activities in vulnerable rural communities. It provides high quality technical assistance and ensures entrepreneurial capacity building to farmers and thus increase family income, improves productivity levels and working conditions and engages both men and women. It also strengthens the community by fostering associations among farmers to cultivate collectively, while providing individually family support.

Campo Vivo began its operation in Une, Cundinamarca with a pilot group of 21 families in 40 ha of land in May, 2014. The second group started its activities on February 2015 within the same area. Potato is the initial crop and it shall be alternated periodically with rotation crops.

During its initial phase, Campo Vivo will run 3 pilots with 225 families of producers in different areas of the country. Campo Vivo will directly impact 675 producers and their families or an estimated 2400 individuals.

YSB Colombia: BIVE

In Colombia, denial of services and medications, long waiting times and difficult administrative procedures are huge obstacles for access to healthcare for the poor. This indicates a higher occurrence of preventable disease, delayed diagnosis, increased spending on high complexity treatments and lower quality of life (SBD, 2015).

In order to overcome these problems, Bive has created a network of 62 health care providers with a focus on the poorest of the poor. A BIVE membership plan not only provides general access to care, but also discounts of up to 68% on the price of private providers and a guaranteed medical appointment within 7 days. Bive currently has 10,000 users in the state of Caldas, 90% of whom are people of low and middle income. Over 950 services have been rendered through the Bive network, and its sales revenue from 2014 is over \$65,000(SBD, 2015).

Bive has expand two more Colombian providences, located in the Coffee region; aiming to reach 20,000 users and generating revenue of around \$150,000. Bive has implemented the program Healthy Smiles Colombia to impact the dental care of 1100 children from 5 to 12 years from low socio-economic level in Manizales, Colombia(SBD, 2015).

4.4 Yunus Social Business in Albania

Since 2012 YSB Albania has financed five social businesses directly financing more than \$595,000, while mobilizing almost \$60,000 from its co-investors. YSB Albania ran 2 cycles of its structured accelerator program, providing extensive support to more than 35 entrepreneurs and potential entrepreneurs with experienced hands-on mentorship, educational programming, visibility to investors and other resources. It further strengthened entrepreneurs' processes for market and customer validation, development and testing of the commercial viability of the idea, while providing them support for pitches to investors (SBD, 2015).

Seniors House is an elderly home-care social business that offers high quality daycare and residential services to improve quality of life for the elderly in Albania. It has received attention from major Albanian media as it is the first social business with high international standards of service (SBD, 2015).

Seniors House already has 28 clients and a full list of interested clients for the months to come. The social business has painted a much more positive picture of senior care in Albania and

inspired the government to revise its guidelines on elderly care in the country. Many other senior houses are now entering the market benefitting from the groundwork the entrepreneur has done.

YSB Albania continues to create awareness of social business in the Balkans region, including a training to entrepreneurs at the innovation Center Kosovo. It also hosted Social Business Week in Tirana, offering a series of activities such as boot camps, workshops, a Conference on the Future of Social Business and social business field trips. More than 600 participants from varying sectors and fields participated (SBD, 2015).

4.5 Yunus Social Business in Tunisia

YSB created its Tunisia country office to support the creation and development of social business with the help of its founding partner African Development Bank. It delivers two main activities of business acceleration and financing. In November 2014, a Tunisian social business fund was created to provide between \$50,000 and \$300,000 in equity and soft loans to finance YSB Tunisia's most promising social business (SBD, 2015).

YSB launched the call for application for the YSB accelerator program called iBDA (Arabic name meaning "Start"), which is the first business accelerator in Tunisia in March 2014. 11 projects were selected to participate, out of the 410 completed applications received from the 24 governorates (SBD, 2015).

These social businesses had a wide geographical spread and covered various activity sectors such as agriculture, recycling, handicraft, tourism and citizen services. Upon completion of its accelerator program, the local YSB team has been working with the three most promising social businesses in order to finalize all legal and business requirements in order to provide financing.

The Jendouba region of Tunisia has a population of approximately 400,000 with an estimated 20% unemployment rate. Without proper training in beekeeping, achieving high levels of hive productivity is a challenge for a sufficient income for small-scale beekeepers. As a result beekeepers are quitting their small-scale bee farms for jobs in cities that provide a more stable income (SBD, 2015).

Based on its strong experience of managing 300 hives of its own, CIFEA is going to provide essential beekeeping training and potential access to markets to local small-scale beekeepers in Jendouba. It plans to collect, distribute, and commercialize organic certified honey, and eventually other hive products, to wholesalers in local and international markets.

4.6 Yunus Social Business in Uganda

In 2013, Uganda started its operations of YSB as a pilot program with the African Development Bank, devoted to promoting and creating an environment within which social businesses can flourish in Uganda. It was officially registered as Yunus Social Business Foundation Uganda Ltd. YSB Uganda continues to source and work with entrepreneurs to develop their social business in partnership with its extensive sourcing partners (SBD, 2015).

More than 100 entrepreneurs and 1 social business were approved for an initial funding amount in 2014. YSB Uganda provides training to develop skills of local entrepreneurs and partnered with African Management Initiative (AMI) to deliver training on “Designing Social Business for impact” for sixty entrepreneurs and managers. Over 440 children still die every week due to waterborne diseases in Uganda (SBD, 2015).

A much higher number falls sick from contaminated water which results in lower school attendance. The social business sells, installs and maintains environmentally-friendly UV-based water purification systems to schools on low cost, multi-year credit terms. This helps schools to avoid burning firewood for boiling water and therefore offsets CO₂ emissions while reducing medical costs for the families. Impact Water already serves over one thousand schools in Uganda and provides clean drinking water to more than 400,000 children (SBD, 2015).

4.7 Yunus Social Business in Costa Rica

In 2014, the first corporate social business joint venture with a Costa Rican leading food company, Florida Ice and Farm Company, was launched to produce food to combat malnutrition in children. Nutrivida is a social business joint venture between Florida Ice and Farm Company and Yunus Social Business, offering nutritious food products at affordable prices to the base of the pyramid (SBD, 2015).

Malnutrition is a common problem in Central America and can cause long term health problems for infants and children. Nutrivida has developed a range of products such as soups, drinks, and cereals, which are enriched with vitamins and minerals. Nutrivida has already served over 2 million meals after starting its operations in January 2014(SBD, 2015).

4.8 Yunus Social Business in Brazil

YSB Brazil was launched to spread the social business concept throughout Brazil in March 2013, Rio was officially declared a ‘Social Business City’ in 2014. YSB Brazil remains committed to enabling local entrepreneurs to grow their social businesses while working heavily to spread the social business concept (SBD, 2015).

Locally it is known as Yunus Negocios Sociais Brasil. YSB Brazil launched 3 cycles of accelerator programs, including 2 in Sao Paolo and 1 in Rio. YSB Brazil offers its entrepreneurs an office during the program, 2 mentors from BCG per social business during the 3 months, sector expert mentors, access to the YSB Brazil network and preparation to pitch for financing. A total 32 social businesses have accelerated through the process (SBD, 2015).

4.9 Yunus Social Business in India

YSB India was launched in 2011 in Mumbai and seven businesses have received financing to date. A brief description of YSB in India is stated below

4.9.1 YSB India: Sankara Eye Care Hospital

Sankara Eye Care Hospital provides eye care services through cross-subsidization to those in need. Once Sankara Eye Hospital was established in Coimbatore, one of the first initiatives that the team undertook was to conduct exclusive outreach camps to raise awareness, screen and detect eye defects and ailments and treat these, where possible (SBD, 2015).

Sankara Eye Hospital has a Comprehensive Community Eye Health Program that provides holistic eye care and has tailor-made services to address the needs of both, different age groups and various eye defects. The primary goal of the Community Eye Health Program is to fight against preventable and curable blindness (SBD, 2015).

From its inception of Coimbatore with one hospital doing 30,000 surgeries, it currently has nine hospitals performing 150,000 surgeries.

4.9.2 YSB India: Shaki Retail

The goal of Sakhi Retail is to improve the health and well-being of Indian rural households by distributing high-quality, affordable goods and appliances where they are least accessible. For example, in the rural Maharashtra where access to knowledge about health and safety with regard to cooking appliances –particularly sources of fuel and light is very limited.

Sakhi Retail aims to increase incomes in rural areas by teaching rural women entrepreneurs' door-to-door sales techniques, which then provide commission-based income. They also developed the 'Oorja', a smokeless biomass stove that uses pellets as fuel (SBD, 2015).

Sakhi Retail reaches over 600,000 people in Maharashtra and Bihar through over 850 female micro-entrepreneurs while YSBFM has invested into a small pilot.

4.9.3 YSB India: SPARC

The Society for the Promotion of Area Resource Centers (SPARC) was founded by Nobel Peace Prize nominated Dr. Jokhin Arputam. He is specialized in tackling a number of social issues and his vision is to empower the urban poor in India to gain access to the resources. The partnership between SPARC and YSB centers on urban slums in Mumbai that have limited or no toilet facilities, allowing SPARC to build toilets with YSB's financial support (SBD, 2015).

Distinguishing features of the model are co-production of the community in design, construction and maintenance of the toilets and connection to a main sewer line with adequate access to water and electricity. The toilets will also have separate entrances for men and women. Users pay a single rupee for use of the toilet block. Alternatively, there are monthly family passes for the toilets that cost Rs. 20-25 per household, irrespective of the number of family members or uses. As such, because the community has an investment in the toilet blocks themselves, and a self-sustaining income from their use, they are able to hire a caretaker who can manage, administer and clean the bathrooms (SBD, 2015).

4.9.4 YSB India: MILAAP/Guardian

Milaap/ Guardian provides microloans to build water connections and toilets in rural Tamil Nadu and functions as an online fund-raising platform. By sourcing funds from individuals all over the

world, Milaap has been able to eliminate the need for their partner MFIs to borrow from banks, facilitating low-cost loans (SBD, 2015).

In January 2015, 2625 loans have been given, totaling more than 25 million Rupees and improving the lives of thousands.

4.9.5 YSB India: ALC India

ALC India provides handholding support to primary producers in rural India, helping them to get a higher price for their produce by eliminating supply chain inefficiency and moving their productivity. Currently ALC India is working with fifteen such producer companies and is in the process of promoting another 22. It reaches 65,000 producer households currently and hopes to reach 300,000 producers in the next five years (SBD, 2015).

4.9.6 YSB India: BNGVN

Bhagini Nivedita Gramin Vigyan Niketan (BNGVN) was founded in 1995 by Ramon Magsaysay recipient Nileema Mishra and works to empower villages to provide their own livelihoods and create self-sustaining ecosystems. Its activities include providing microfinance and logistical support to farmers and village entrepreneurs at reasonable terms of repayment, organizing women into self-help groups encourage savings and imparting skills for alternate livelihoods, creating a village fund to drive community activities and allowing villagers to borrow to build sanitation systems (SBD, 2015).

4.9.7 YSB India: Ektir Wash

Ektir Wash catalyzes the building of household toilets in rural Orissa through a unique microentrepreneur turnkey service provider model. Ektir plans to create forty toilet entrepreneurs through YSBFM (SBD, 2015).

4.10 YSB Germany: Lalaland

Lalaland is a service oriented social business based in Wiesbaden, Germany. In 2010, Hans Reitz and Vanessa Spindler established it to create a playful space for children and their families. Currently Lalaland Wiesbaden consists of its own Café and Family Bed and Breakfast. Day after

day it gives shelter to many children and their families. Lalaland's mission is to create mental and physical space, where every child can be free and light hearted (SBD, 2015).

4.11 YSB China

NutriGo established in China in 2012, 28 million rural infants suffer from malnutrition caused by a lack of nutritional products designed specifically for children and by parental unawareness of nutrition-related problems. The NutriGo grew out of a partnership between Dumex, a Danone subsidiary in China; the NGOs One Foundation and NIP foundation; China's international Life Science Institute (ILSI) Focal Point and Danone communities(SBD, 2015).

The mission of nutriGo is to fight against infant malnutrition in China using an awareness-raising program and YingYangBao, a fortified nutrition supplement. It is working with village doctors to distribute YingYangBao, a nutrient-dense dietary supplement for children aged 6 months to 3 years in rural provinces and also providing a nutrition education program for mothers and caregivers living in rural areas (SBD, 2015).

4.12 YSB France

Isomir (Service Oriented Organization)

Isomir established in 1st January 2010 in France. Isomir is a socially-oriented program that helps create small agrifood plants that can be operated by small groups or even a single individual. These mini-plants enable producers to process their own output and sell higher-value-added products, especially in short distribution channels. The mission of Isomir is to make local farm production more profitable and create secure jobs for small producers (YSB, 2015).

Malin

Malin is also a service oriented organization, established in France in 2008. An estimated 160,000 French children are born below the poverty line every year. In 2008, Dr Jean-Francois Mattei of the French Red Cross and Danone executive Emmanel sparked the idea for Malin. The goal is to test a program that helps provide young children with access to a healthy balanced diet.

Since 2012, the program has been tested at four pilot sites in and around the French cities of Nancy, Nantes, Grenoble and Villefranche-sur-Saone. The mission of this program is to improve nutrition in children under age three whose families are struggling with social and/or economic challenges (YSB, 2015).

A nutrition education program, with health professionals counseling parents and providing resources adapted to their needs. Support continues with raising awareness of the importance of nutrition throughout the first few years of life.

4.13 YSB Mexico

Eco Alberto is a service oriented social business organization launched in May 2011 in Mexico in partnership with the Porvenir Foundation and Danone Mexico. El Alberto is one of Mexico's most and regions in the state of Hidalgo. For water indigenous communities there rely primarily on small springs, which are often polluted and in some cases villagers have to walk nearly two hours to reach them (YSB,2015).

4.14 Social Business and Sustainable Development Goals

The heads of the state and Government of different countries agreed to set the world on a path towards Sustainable Development through the adoption of the 2030 Agenda for sustainable development in September 2015 (UN, 2015).

This agenda includes 17 Sustainable Development Goals or SDGs, which set out quantitative objectives across the social, economic and environmental dimensions of sustainable development all to be achieved by 2030. The goals provide a framework for shared action “for people, planet and prosperity” to be implemented by “all countries and all stakeholders, acting in collaborative partnership”. 169 targets accompany the 17 goals and set out qualitative and quantitative objectives for the next 15 years.

The 17 Sustainable Development Goals form an organized and interconnected package of global aspirations that can be achieved by 2030. Building on the accomplishments of their predecessors the MDGs, the SDGs address the most pressing global challenges of our time, calling upon collaborative partnerships across and between countries to balance the three dimensions of sustainable development, economic growth, environmental sustainability and social inclusion.

Unlike the Millennium Development Goals, their successors are an integrated set of universal goals, applying to all countries, aiming at mobilizing all stakeholders and, especially, the business community.

The 2030 Agenda is set to end poverty and hunger in all their forms and dimensions; to protect the planet, our common home and manage its natural resources and take urgent action on climate change. The agenda is also designed to ensure prosperity and peace for all human beings and provide inclusive societies that are free from fear and violence and an agenda to work together, to mobilize the means required for implementation through a revitalised global partnership for Sustainable Development with the participation of all countries, all stakeholders and all people.

Both developing and developed countries will have to do their part and commit to good governance, rule of law and fight against corruption in order to provide an enabling environment conducive to genuine partnerships that will help to achieve Sustainable Development agenda by 2030. At the same time, businesses are being encouraged to commit to investments in critical areas to development and to move towards more socially and environmentally sustainable and responsible practices.

In the capitalist system, two types of business, one is profit-maximizing and another is non-profit organizations. The purpose of profit-maximizing business is to create shareholder value and on the other hand, the objective of the non-profit organizations is to fulfill a social objective. Profit-maximizing businesses spend a portion of its profit as corporate social activity to protect the interest of the poor people as well as to facilitate profit earning (Nelson et al., 2015).

A social business borrows from both these entities. It has to recover its full costs from its operations, and owners are entitled to recover their invested money. However, the social business is more cause-driven than profit-driven, with the potential to act as a change agent for the world. This new business is basically the same as the profit-maximizing business and it is not a charity but it is a business in every sense. Social businesses need to recover their full costs, so as to achieve self-sustainability while at the same time achieving their social objective. The owner of the social bus never intends to make profit for himself although he can get his invested money back if he wishes.

The profit maximizing company that adopts CSR approach does not pay enough attention to solve social problems because its main goal is to maximize shareholder's profit. Moreover, it is alleged that most of the times the profit maximizing companies use CSR activities as the tool of business promotion rather than a tool of alleviating poverty. On the other hand, the objective of social business is to solve social problems. Therefore, social business is an optimal tool to achieve human rights related problems that are included in sustainable development goals.

The following section explains how sustainable development goals can be achieved through social business.

4.14.1 Sustainable Development Goals (SDGs)

The member states of the United Nations have adopted the Sustainable Development Goals (SDGs) in 2015 that has set the global agenda for more inclusive and sustainable development and growth for decades to come. The SDGs are more comprehensive in scope, covering poverty eradication, economic growth and job creation, food security, health, access to education, energy, water and sanitation, gender parity, peace, climate change and numerous other aspects of environmental sustainability and are notably different to their predecessors, the Millennium Development Goals. The Sustainable Development Goals set by the United Nations are given below:

Table 4.1 Sustainable Development Goals

SL No	Purpose of Goal
GOAL 1	End poverty in all its forms everywhere
GOAL 2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
GOAL 3	Ensure healthy lives and promote well-being for all at all ages
GOAL 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
GOAL 5	Achieve gender equality and empower all women and girls
GOAL 6	Ensure availability and sustainable management of water and sanitation for all
GOAL 7	Ensure access to affordable, reliable, sustainable and modern energy for all
GOAL 8	Promote sustained, inclusive and sustainable economic growth, full and productive

SL No	Purpose of Goal
	employment and decent work for all
GOAL 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
GOAL 10	Reduce inequality within and among countries
GOAL 11	Make cities and human settlements inclusive, safe, resilient and sustainable
GOAL 12	Ensure sustainable consumption and production patterns
GOAL 13	Take urgent action to combat climate change and its impacts
GOAL 14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
GOAL 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
GOAL 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
GOAL 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development

Source: Nelson et al., 2015

The world leaders and member states of the United State explicitly recognize the inter linkages among these goals. They will be universal. And they focus more concretely on their means of achievement.

Pioneering companies and organizations such as the World Business Council for Sustainable Development, the World Economic Forum, the International Finance Corporation, the United Nations (UN) Global Compact, the former International Business Leaders Forum, Business for Social Responsibility, the International Chamber of Commerce, the UN Development program and others have shed light on the nature of the fundamental role that business plays in sustainable development by their several decades of experience and research.

Business investment, operations, and value chains create jobs, generate incomes, build human capital, support technology transfer, build physical and institutional infrastructure, and offer products and services that meet customers' needs and aspirations, as evidenced by their willingness to pay—including food, water, sanitation, information and communications technology, healthcare, energy, education, and more (Nelson et. al, 2015).

Over the years, three clear facts have emerged; government alone cannot social problems , big companies they have negative impacts on society, although they are adopting CSR activities but most of the people believe that CSR activities of traditional profit maximizing companies are promotional tools (WBCSD,2007); and society has expectations of traditional profit maximizing companies(Hart,2007).

For several years, traditional profit maximizing companies have been developing various types of CSR approaches (Martinet et Payaud, 2009) for eradicating social problems from the societies like poverty, education, health etc. Traditional profit maximizing companies' CSR programs are therefore part of an overall trend that has given rise to innovative solutions at the point where the public sphere, market forces and civil society intersect in their desire to see systemic change (Yunus, 2012).

The result is social entrepreneurship or social entrepreneurship in the traditional profit making companies that the social business is a part of that. Thus social business initiatives, beyond CSR, in a sustainable business perspective, are to be considered as a part of big companies global development strategies.

Therefore, social business: an efficient tool for achieving sustainable development goals. In 2012, the UN adopted the concept of social business as a tool for achieving the Millennium Development Goals, whereas the European Union (EU) has also incorporated social business as a

part of their action plan. The following section describes how sustainable development goals can be achieved through social business.

4.14.2 End Poverty in all its forms everywhere through Social Business

The first goal of sustainable development is to eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day and ensure that all men and women, particularly the poor and the vulnerable, have equal access to basic services, ownership, and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services including microfinance by 2030. Social business is an appropriate tool for poverty reduction because it provides sustainable solutions (revenue from the activity must cover the capital investment and operating cost) and it warrants replication.

Social business is governed by the “no loss, no dividend” principle and the objective of this business is to solve social problems and the creator of this business Professor Dr Yunus believes that poverty can only be reduced through innovation and by abandoning the traditional patronage formulas and classical market rules (Yunus et al., 2012).

Unemployment problem is not in Bangladesh but also in every country in the world. Even in the rich countries unemployment problem is increasing every year. There are 60 million young people every year are joining in the job market globally and this large number of people can become entrepreneur through social business, they can transform themselves job seeker to job giver.

Case Study: Md. Alam is 30 years old and he took \$1200 education loan from Grameen Bank. After completing his master degree in Bengali literature under National University he decided to stay in his village and start agricultural farming. He submitted his business plan to Grameen Kalyan and Grameen Kalyan invested \$10,000 for leasing land, purchasing agricultural tools & equipments, seeds & seedlings, operation cost etc.

After receiving loan from Grameen Kalyan Mr Alam has taken lease of ten acres of land and started cultivating different kinds of vegetables like Banana, Pepper, Beans, Parwal, Zinga, Corolla, Colocasia, Pumkin etc. In 2014, Alam earned around \$9375 from his farm which is definitely a handsome amount for living in Bangladesh. He has created employment

opportunities for ten people and all of his family members are dependent on his income (Khashru, 2016).

Poverty eradication is the main social objective of social business and this business has become a role model to alleviate poverty all over the world. Grameen Bank would be the most notable example; Professor Yunus in his dream the entire world will be poverty free by 2050. To derive poverty reduction and leaving no- one behind for equitable society, multi-dimensions of poverty has to be approached from many directives and no approach is insignificant. Professor Yunus believe that we can create a world in which the only place one would be able to see poverty is in museum.

4.14.3 Ensure health, food, water and sanitation through social business

Healthcare is a high potential area for social business. Most of the cases public delivery of healthcare is insufficient and often fails to reach the people who need it most. Private healthcares provide services for high-income people. The big gap between the two can be filled by social business (Yunus, 2008).

Grameen Healthcare Company is trying to create social businesses to fill this gap in the healthcare system in Bangladesh. To keep healthy people healthy by concentrating on prevention and offering diagnostic and health check-up services, health insurance services, etc, this company is trying to develop a prototype of health management center in the villages.

It is making efforts to take advantage of the universal availability of mobile phones. It is also in the process of working with leading manufacturers to design diagnostic equipment that can transmit images and data in real time to city-based health experts.

Grameen Healthcare is also planning to set up secondary and tertiary health facilities on social businesses terms. It also plans to establish a University of Health Sciences and Technology to train a new generation of doctors to staff its social business healthcare facilities. Many other segments of healthcare are appropriate for building successful social businesses – nutrition, water, health insurance, health education and training, eye-care, mother and childcare, diagnostic services, etc.

Safe drinking water for the poor and arsenic affected a can be ensured through social business. For example, Grameen Health Care Service and Veolia have started a joint venture company with initial investment of €500,000. The objective of Grameen Veolia Water (GVW) is to take a

public service approach to supply affordable safe drinking water to the entire population of a rural area in Bangladesh, where over 99% of the population is considered by the World Resource Institute to be at the Base of the Pyramid (WRI, 2007).

Veolia Water contributed its technical expertise in choosing the water treatment method using river water which is arsenic free rather than ground water (a traditional technology producing water of a quality meeting the WHO standards).

Grameen Veolia Water chose a proven technology that would guarantee the best quality water possible for a limited cost (Blanchet, 2011). In this way pure drinking can be ensured for the people of the base of the pyramid.

Social business can be used to ensure nutrition for the poor people. The Grameen Group and Group DANONE created Grameen Danone Foods Ltd a social business based in Bangladesh in 2006 to reduce poverty by a unique proximity business model that will provide daily healthy nutrition to the poor of Bangladesh. Grameen Danone aims to eradicate malnutrition prevailing among children in Bangladesh due to widespread poverty through producing fortified yoghurt which has all the nutrients to eliminate malnutrition.

4.14.4 Gender equality, empower all women and girls through Business

The goals stated in the Sustainable Development on gender equality and empower all women and girls can be achieved by Social Business. Though education is extremely important for empowering women, gender equality involves having the opportunities to use the skills acquired and participate fully in the economic and political sphere. A critical aspect of promoting gender equality is the empowerment of women, with a focus on identifying and redressing power imbalances and giving women more autonomy to manage their own lives.

Women's empowerment is vital to sustainable development and the realization of human rights for all. The concept of social business is collaborative with empowering women. As a part of society and a big contributor for sustainable development more women are involving in microcredit related small business.

Grameen Bank is an example of this philosophy. Grameen Bank is a social business owned by its poor borrowers, 97 percent of them are women who borrow small loans from Grameen Bank to start their business that improve their economic condition. They not only improve their condition but also contribute to the rural social-economic development of a country (Khashru, 2016).

These women entrepreneurs can establish small dairy, poultry and agri-businesses with the money from Grameen Bank without any institutional education. According to Professor Yunus unemployed women has to be accommodated into the economic activities of a country through social business.

4.14.5 Access to affordable, reliable, sustainable modern energy through social business.

Climate change is a global challenge that stands to affect the majority of businesses, the economy and societies around the world. Today not only the local environment is at risk but also the global environment. Small amounts of population for each of us are affecting everyone in the world.

For example, very small quantities of chlorofluorocarbons (CFCs) emitted to the atmosphere from leaking refrigerators or some industrial processes have resulted in degradation of the ozone layer. The carbon dioxide that enters the atmosphere from the burning of fossil fuels, oil, coal and gas that is leading to damage the climate change.

Rapidly increasing world population and over-use of the Earth's resources are making acute problems and exacerbating the damage both to the natural world and human communities. Therefore, global pollution needs global solutions (Houghton, 2011). Social Business can be an approach to solve this problem.

Grameen Shakti is the pioneer in providing green and clean energy to thousands of rural households. It intends to improve livelihood through access to green energy. Grameen Shakti has developed a successful market based programs.

It aims to address the lack of healthy and hygienic living standard and eradicating energy crisis in the rural areas of Bangladesh.

Grameen Shakti primarily focuses on providing electricity to families through solar panel who had no electricity at all and also intends to eliminate indoor air pollution caused by kerosene stove used for cooking in poor families.

The social impact of Grameen Shakti is mentionable, it has 8 million customers including their families and it has provided energy access, better and healthier indoor environment. Grameen Shakti has achieved to reduce carbon emission of 800,000 tones through biogas, cooking stove

and solar home systems and it has also created 1200 jobs. United Nation can use this business model for reliable, sustainable and modern energy for all of the people of the world.

4.14.6 Reduction inequality through social business.

In the today's world, 85 individuals own more wealth than all those in the bottom half. Top half of the world population own 99% the wealth of the world, leaving only 1% for the bottom half. The present version of capitalism will never deliver equitable distribution of income within the country and outside of the country (Yunus, 2015).

94 percent of world income goes to 40 percent of the people, while the other 60 percent must live on only 6 percent of the world income. Half of the world lives on two dollar a day or less, while almost a billion people live on less than one dollar a day.

Around the world poverty is not distributed evenly; specific regions suffer its worst effects. In sub-Saharan Africa, Latin America and South Asia, hundreds of millions of poor people struggle for survival. This certainly indicates the inequality in terms of income, social progress, economic success, living standard, poverty, sanitation employment, education, health etc.

These inequalities create global problems. At the beginning of the new millennium, the whole world mobilized to address them. In 2000, the objectives of the world leaders were to achieve millennium development goals, among the other goals, to reduce poverty by half by 2015. But after the specific time has elapsed, the results are disappointing.

What may be the wrong? Present capitalism system may not suitable for achieving these goals. Surely capitalism is amenable to improvements. Human being is multidimensional in nature. He is not only devoted to his own interest but also devoted to solve any problem of the society.

In order to do that, in addition to profit maximizing business, they should start a new type of business that is totally dedicated to solving social and environmental problems.

4.14.6 Chapter Summary

Social business may be an effective tool to achieve Sustainable Development Goals because most of the goals are very much consistent with the objectives or principles of social business. Yunus's Social Business is based on seven principles. Firstly business objective will be to overcome

poverty or one or more problems such as education, health care, energy, sanitation, technology etc which are very much similar to the goals of the Sustainable Development Goals.

Secondly, Social business is gender sensitive and environmental or eco-friendly and social business offers equal opportunity for both men and women. Therefore, social businesses make women empowerment and independent which is one of the goals of Sustainable Development.

Social business is environment conscious it means this business is environment friendly that will not create anything against for environment as well as climate change that is another goal of Sustainable Development. So, we can conclude that Social Business is an integrated approach through which Sustainable Development Goals can be achieved.

5.1 Introduction

This chapter presents a comprehensive view of the methodology adopted for the present investigation viz., the design of the study, nature and sources of data collection, the sample size, the analytical tools and techniques used for an evaluation of the objectives of the study. These are presented as below. Here the primary data are collected with the help of structured questionnaire developed for the purpose and secondary data are collected from text book, article, internet and different published sources.

5.2 General Research Methodology

According to Bryman and Bell (2007), a research method describes the pattern of assumptions, ideas and techniques that characterize quantitative and qualitative research. These two have some similarities, differences and areas where they are similar in approach. This mainly depends on the way a problem is defined and the nature of information being sought as researchers decide on either to use one of the two or a combination of both. Qualitative and quantitative research methodologies are found in many studies (e.g. Punch 1998, Marx 2004, or Kownatzki, 2002). This section justifies the methodology selected for this research endeavor on this basis.

5.2.1 Quantitative Methodologies

The aim of quantitative research is to analyze causal relations between numerous pre-defined variables. Frequently, cross-sectional data and variance analysis are employed in order to statistically explain variations in the outcome criteria (dependent variables) through the input factors (independent variables) (Van de Ven and Huber, 1990).

Quantitative method is employed on a large representative sample of data, based on standardized statistical procedure. The art of quantitative research lies in the sharp definition of the underlying research model (dependent and independent variables, as well as possible mediators, moderators and controls) and the development of meaningful hypotheses on specific relations. The actual data analysis is, then, a rather technical procedure.

According to Girtle (1984), the four main advantages of quantitative method are (i) clear and unambiguous results (hypotheses either supported or rejected) (ii) comparability across different studies (due to hard data and standardized analysis) which enhances cumulative research, (iii)

greater objectivity and reliability due to clear analytical techniques and measures, and (iv) high generalizability and external validity (as they are in general based on a large statistical sample). Quantitative method has also a number of criticisms: (i) Phenomena internal to the individual or group (interpretation of perceived reality) are mostly neglected due to a strict focus on observations of phenomena external to the individual or group (ii) Quantitative tools are not suited to account for situational and contextual meanings (iii) There is a danger of false interpretations or irrelevant information (due to pre-defined hypotheses).

5.2.2 Qualitative Methodologies

The aim of qualitative research is to capture authentic experiences in order to explore reality. A major difference to quantitative research is the missing definition of hypotheses and clearly defined dependent and independent variables; as a result, quantitative research has a much narrower focus on a limited number of relations. On the other hand, the aim of qualitative research is to develop propositions in the course of the research process and tries to depict a holistic picture of reality. Being much more diverse and fuzzy on analytical issues, the qualitative research process is more open and iterative.

Data collection and analysis are interconnected and overlapping in the qualitative research (Noda and Bower, 1996). Qualitative approaches pursue inductive research, based on soft methods (e.g., interviews or case studies) and interpretive techniques and produce results that are usually very rich and narrative in character.

The art of qualitative research is to deal with the enormous amount of information and to extract meaningful findings and generate theories (Weick, 1979).

According to Miles and Huberman (1994), the general advantages of qualitative methodologies are (i) qualitative approach focus on “naturally occurring, ordinary events in natural settings, on what ‘real life’ is like” (ii) qualitative data are rich and holistic (iii) qualitative approach especially suited for process studies due to long observation period and (iv) well suited for discovering and exploring new areas of research.

On the other hand, qualitative research has several drawbacks, mainly going back to flexible and emergent, rather than clearly defined, methodologies (Katz, 1983; Denzin and Lincoln, 1994). They are: (a) lack of a fixed research design and flexible methods; (b) vulnerability to

subjective interpretations of the researcher; (c) limited generalizability of research findings; and (d) difficult reproducibility of studies.

5.2.3 Reason for Choosing Quantitative Method for this Study

Quantitative research is the numerical representation and manipulation of observations for the purpose of describing and explaining the phenomena. In addition, according to Cohen (1980), quantitative research is defined as social research that employs empirical methods and empirical statements. He states that an empirical statement is defined as a descriptive statement about what “is” the case in the “real world” rather than what “ought” to be the case.

Typically, empirically statements are expressed in numerical terms. Moreover, Creswell (1994) has given a very concise definition of quantitative research as a type of research that is explaining phenomena by collecting numerical data that are analyzed using mathematically based methods. Many data that do not naturally appear in quantitative form can be collected in a quantitative way. We do this by designing research instruments aimed specifically at converting phenomena that do not naturally exist in quantitative form into quantitative data, which we can analyze statistically. Examples of this are attitudes, perceptions and beliefs.

The main objective of this study is to analyze the perception of entrepreneurs towards social business in Bangladesh: An empirical investigation”, Therefore, data of entrepreneurs’ perception about social business do not naturally exist in quantitative form. However, this study can develop a questionnaire that asks respondents to rate a number of statements and give the answers a number (1 for strongly disagree, 7 for strongly agree). In this way, this study can collect quantitative data on entrepreneurs’ perception to social business and make them quantitative through data collection instruments like questionnaires or tests.

In short, quantitative research generally focuses on measuring social reality. Quantitative research and/or questions are searching for quantities in something and to establish research numerically. That is why quantitative research has been selected for this study.

5.3 Research Design

The research design describes the strategy, the conceptual framework, the question of who or

what will be studied, and the tools for data collection and analysis (Punch, 1998). A research design helps us to decide upon issues like what, when, where, how much, etc., with regard to an enquiry or a research study.

The present research is a descriptive research study. Descriptive research studies are those which are concerned with describing the characteristics of particular individual or group, the researcher must be able to define clearly what he wants to measure and must find adequate methods for measuring it along with a clear cut definition of population he wants to study. More over the research design focus on the objectives of the study to design the methods of data collection, selecting the sample, collection of data, processing and analyzing the data to report the findings.

5.3.1 The Conceptual Background

A conceptual framework is defined as a collection of theories and models from literature that underpins a positivist research (Mugenda and Mugenda 2003; Mugenda 2008). It is a concept of how the researcher makes logical sense of relationships between factors which are identified as a problem to be studied. It helps the researcher to hypothesize testable relationships which can improve the understanding of the determinants of the situation being studied (Sekaran, 2003). In this study, a conceptual framework is also referred to as a theoretical framework or study model/framework. The three terms are used interchangeably.

A review of the literature of prominent models/theories and recent evaluation studies in the field of social business significantly support the designing of perception of entrepreneurs model. The aim of the current study is to analyze the perception of entrepreneurs towards social business.

Schiffmann (1990) defined perception is the process through which people select, organize and interpret what they see, hear, touch, smell and taste to give meaning and order to the world around them. According to Rollinson (2008) perception is a mental process involving the selection, organization, structuring and interpretation of information in order to make inferences and give meaning to the information.

Social business is a new idea in Bangladesh, so how the entrepreneurs of Bangladesh interpret social business is the main objective of this study. Yunus (2008; 2010) defines the social business

as a subset of social entrepreneurship that operates as an enterprise, selling products and services to customers.

“Social entrepreneurs are individuals with innovative solutions to society’s most pressing social problems. They are ambitious and persistent, tackling major social issues and offering new ideas for wide-scale change” (Ashoka, 2009).

Social entrepreneurship focuses on the goal of innovation for a social purpose, often stressing the fact that this can occur within business, (Non-profit Organizations) NPOs, or government (Austin et al., 2006; S. Johnson, 2000). Social entrepreneurs are often seen as a subspecies of the business entrepreneur (Achleitner, Heister, and Stahl, 2007; Dees, 1998).

Various researchers have found personality traits in social entrepreneurs which are associated with business entrepreneurs.

Martin and Osberg (2007) recognize that like the business entrepreneur the social entrepreneur is inspired by the unsatisfying equilibrium, creatively develops a solution, takes direct action, has the courage to start and the fortitude to continue.

Perrini and Vurro (2006) also name various factors in which social entrepreneurs are similar to business entrepreneurs: entrepreneurial aptitude, risk-tolerance, strong desire to control, founding orientation, unhappy with the status quo, building of portfolios of resources, and an aptitude for networking. Frank et al., (2007) described different traits of a social entrepreneurs like risk-taking propensity, proactiveness, innovativeness etc that influence the perception of entrepreneurs.

5.3.1.1 Independent Variables

5.3.1.1.1 Measurement of perception of Social Business Entrepreneurs (Risk-taking propensity)

Risk-taking is especially interesting as entrepreneurship is an area defined by high levels of uncertainty (Cromie, 2000; Shane et al., 2003). Therefore, entrepreneurs can be expected to be risk-bearing people as they choose the risky path of entrepreneurship (Bönte and Jarosch, 2010).

Research to date also suggests a high level of risk-taking propensity in social entrepreneurs. While no specific empirical work has been done, anecdotal studies describe the social entrepreneur as risk-friendly (Bornstein and Davis, 2010; Canadian Centre for Social

Entrepreneurship, 2001; Frances, 2008; Mort, Weerawardena, and Carnegie, 2003; Peredo and McLean, 2006; Winkler, 2008).

Dees (1998) confirms that social entrepreneurs act boldly in the face of the challenges they meet. Therefore, risk-taking propensity is considered part of the entrepreneurial personality of a social entrepreneur and the following items are considered to measure Risk-taking behavior.

The following items are adopted from social business literature based on (Bönte & Jarosch, 2010, McClland, 1961 Sexton and Bowman, 1983, Lüthje & Franke ,2003 and Sanchez ,2005)

- (a) I am willing to take financial risk to implement social business
- (b) I am willing to take psychological risk to implement social business.
- (c) I am willing to take social risk to implement social business.
- (d) I am willing to take the biggest challenge of social business (i.e. sell products at affordable price to the poorest of the poor)
- (e) I am willing to take the inherent risks of social business (i.e. lack of any return or capital gain for the owners)
- (f) I am willing to take the challenges of social business movement (e.g., customer and employee care and protection, financial performance and benefit, ownership, social performance, environmental impact)

The above items are the factors of risk-taking propensity that describe the perception of entrepreneurs regarding social business and are used to form the following alternative hypothesis.

H₁: Risk taking behavior has a positive influence on perception of entrepreneur about social business.

5.3.1.1.2 Measurement of perception of Social Business Entrepreneurs (Proactiveness)

According to Bönte and Jarosch (2010) proactiveness is an entrepreneurial trait, as most likely those willing to shape things are the ones who become entrepreneurs. While individual studies in business entrepreneurship show no relevance of this trait (Utsch, 2004), there is an overall consensus that this characteristic is common in entrepreneurs (Dreesbach, 2010).

This is confirmed in Rauch and Frese's (2007) meta-analysis and studies specifically on this trait (Bateman and Crant, 1993; Becherer and Maurer, 1999). While Mort, Weerawardena, and Carnegie (2003) describe specifically social entrepreneurs as proactive.

Peredo and McLean (2006) circumscribe the trait by stating that they take advantage of opportunities around them.

Therefore, proactiveness is added to the construct of the entrepreneurial personality of a social entrepreneur and the following items are considered to measure proactiveness behavior. The following items are adopted from social business literature based on Peredo and McLean, 2006, Bönnte and Jarosch, 2010, Mort, Weerawardena, and Carnegie, 2003, Entrialgo et al, 2010, Seibert and Crant, 2001).

- (a) I want to transform a job-seeker into a job-giver through social business initiative
- (b) I propose new ways of doing things through social business
- (c) I seek opportunities through social business
- (d) I carry on social business until a significant change of unemployment.

The above items are the factors of proactiveness that describe the perception of entrepreneurs regarding social business and are used to form the following alternative hypothesis.

H₂: Proactiveness behavior has a positive influence on perception of entrepreneur about social business.

5.3.1.1.3 Measurement of perception of Social Business Entrepreneurs (Innovation)

Innovation being part of the definition of entrepreneurship it is not surprising that this element is said to make up part of the entrepreneurial personality. Leaders in business entrepreneurship highlight the importance of innovativeness, as the core of entrepreneurial activity (Drucker, 1985; Schumpeter, 1936, 1950). Different research confirmed that innovativeness is related to the entrepreneurial personality (Caird, 1991; Rauch and Frese, 2007).

Innovative character traits are also found in social entrepreneurs (Canadian Centre for Social Entrepreneurship, 2001; Leadbeater, 1997; Mort et al., 2003; Peredo and McLean, 2006; Weerawardena and Mort, 2006; Winkler, 2008). Dees (1998b) attests that they engage in continuous innovation.

Social business innovates in many ways: product innovation, innovation in production process, innovation and distribution channels to achieve its social objective. In addition, seeking the lowest possible prices to make a product affordable to the poorest, puts pressure on the trading

model. Social business models also spark innovation through the high level of collaboration they involve. In particular, they enable companies to leverage existing in the not for profit sectors.

Therefore, innovativeness is included as part of the entrepreneurial personality of a social entrepreneur that influences the perception of social entrepreneurs.

The following items are adopted from social business literature based on Leadbeater, 1997; Mort et al., 2003; Peredo and McLean, 2006; Weerawardena and Mort, 2006; Winkler, 2008, Ward (2004), Sternberg, 2005)

- (a) Social business provides innovative solutions to social problems
- (b) Social business provides new opportunities for learning.
- (c) Social business provides new opportunities for innovation.
- (d) Brands created through social business have positive brand image.
- (e) Social business transforms the traditional business mindset.
- (f) The transformed mindset through social business increases business efficiency
- (g) Social business model is an effective mean to fight poverty
- (h) Social business model is a productive source of new business ideas

The above items are the factors of innovation that describe the perception of entrepreneurs regarding social business and are used to form the following alternative hypothesis.

H₃: Innovation behavior has a positive influence on perception of entrepreneur about social business.

Through risk-taking propensity, proactiveness and innovativeness it is possible to measure the perception of entrepreneurs regarding social business or these constructs describe how the entrepreneurs see the social business.

5.3.1.1.4 Measurement of perception of Social Business Entrepreneurs (Motivation)

The basis for action—whether in the form of individual motivation or organizational mission—is among the antecedents that most clearly distinguish social entrepreneurship from commercial entrepreneurship (Austin et al., 2006).

An enterprise's mission provides its animating force, its basis for action whether explicitly stated or tacitly acted out. It captures both the motivation of the entrepreneur(s) and the corresponding

goals needed to address the motivation. There are many ways in which social missions differ from commercial missions (Moss et al., 2011).

Commercial entrepreneurship generally emanates from self focused desires such as wealth accumulation or self employment, whereas social entrepreneurship tends to derive from other-focused or collective-focused aspirations such as wealth giving or sharing, or community development. For this reason, profit-related goals are often subordinate to the social mission or, at most, evenly prioritized with social goals depending on the type of social entrepreneurship.

Most social missions are focused on basic and long-standing societal problems and needs such as poverty, hunger, unclean water, unemployment, transportation, education, human rights, etc. (Austin et al., 2006). The motivation of social business entrepreneurs will be to enjoy the pride and pleasure of helping to solve difficult social problems. Companies of all sizes and their managers may have altruistic motives but they will also want to use social business to promote their images to the outside world and to create a spirit of cohesion and motivation internally among their employees (Perron, 2011).

Therefore, motivation is a part and parcel of social entrepreneurship like social business. The following items are adopted from social business literature based on (Perron, 2011, Austin et al. 2006, Mulgan, 2006, Blanchflower , 2000).

- (a) I want to start a business which is dedicated entirely to solve human problems.
- (b) I would be happy to start a business that only offers me the invested amount over a period of time.
- (c) I want to start a business that will be environmentally conscious.
- (d) I want to make my business financially sustainable
- (e) I want to motivate my workers through social business
- (f) I want to get inner pleasure by helping to solve social problems

The above items are the factors of motivation that describe the perception of entrepreneurs regarding social business and are used to form the following alternative hypothesis.

H4: Motivation behavior has a positive influence on perception of entrepreneur about social business.

5.3.1.1.5 Measurement of perception of Social Business Entrepreneurs (Experience)

Murphy and Coombes (2009) suggest, experience and skills are considered as a basis for social entrepreneurship. Guclu, Dees, and Anderson (2002) mention general personal experiences as necessary factors to generate social entrepreneurial ideas.

Numerous other papers mention, previous experience or knowledge is a source of social entrepreneurship (Corner and Ho, 2010; Perrini & Vurro, 2006; Sharir and Lerner, 2006).

More specifically, individual work has indicated that for social entrepreneurship, experience is necessary from two areas: both in entrepreneurship and also in the relevant social field (Robinson, 2006).

On the one hand, in his interview with Meehan (2004), Bill Drayton names entrepreneurial experience as a first stepping stone for social entrepreneurship. On the other hand, Mair and Noboa (2006) point out that involvement with the social sector is an antecedent for numerous factors affecting social entrepreneurial intentions. Similarly, Shaw and Carter (1997) mention that social entrepreneurs have prior experience, mostly in social areas.

Persons with prior experience of doing social business may be more likely to act on their ideas. Now many big companies are approaching the Grameen to create social business joint ventures, because they want to make sure that it is done the right way. Once they become experienced in social business, they will take the concept wherever the need exists (Yunus, 2011).

Therefore, experience is considered as a construct to measure perception of social entrepreneurs. The following items are adopted from social business literature based on Murphy and Coombes, 2009, Guclu, Dees, and Anderson, 2002, Corner and Ho, 2010; Perrini and Vurro, 2006; Sharir and Lerner, 2006).

- (a) I have a basic understanding of social business
- (b) I have prior experience of doing social business
- (c) I have no prior experience of doing social business

The items that are mentioned in the above are the factors of experience that describe the perception of entrepreneurs regarding social business and are used to form the following alternative hypothesis.

H₅: Experience has a positive influence on perception of entrepreneur about social business.

5.3.1.1.6 Measurement of perception of Social Business Entrepreneurs (Education)

Governments, organizations, practitioners and business schools can go one step further in ensuring the growth of social entrepreneurship in society through education. Educational programs can be used to govern and steer the future development of social entrepreneurship in practice.

Researchers in business entrepreneurship have called for more emphasis on the early development of entrepreneurs in order to identify the determinants of their formation more precisely and use this information in education (e.g., Frank, Lueger, and Korunka, 2007).

Social entrepreneurial education can be considered as factors on the formation of social entrepreneurs. According to Light (2005) skills is necessary to behave as a social entrepreneur that can be taught in schools or universities. He stresses this need for advancing social entrepreneurship through education in his later work (e.g., Light, 2009). Tracey and Phillips (2007) mention new education needs as social entrepreneurs and people looking at CSR careers are embarking on entrepreneurship courses. Specifically, Thompson, Alvy and Lees (2000) welcome courses focused on confidence building and leadership skills for people with volunteering experience, as these are areas in which they can learn from successful role models and professionals to make the move to social entrepreneurship.

Therefore, education is considered as a construct to measure perception of social entrepreneurs. The following items are adopted from social business literature based on (Frank, Lueger, and Korunka, 2007, Light, 2005, Tracey and Phillips, 2007, Thompson, Alvy and Lees, 2000, Krueger and Brazeal, 1994, Gorji and Rahimian, 2011).

- (a) For a successful social business entrepreneur, knowledge regarding social problems is needed
- (b) Lack of education may limit people's understanding of the value of social business
- (c) Social businesses must go beyond traditional marketing strategies

Social business model is an iterative learning process involving time, effort, trial and error.

The items that are mentioned in the above are the education factors of social entrepreneur that describe the perception of entrepreneurs regarding social business and are used to form the following alternative hypothesis.

H₆: Education has a positive influence on perception of entrepreneur about social business.

5.3.1.1.7 Measurement of perception of Social Business Entrepreneurs (Expectation)

Expectation is the idea that what entrepreneurs of social businesses want to see and it is influenced by what social business entrepreneurs expect to see. The entrepreneurs of social business want to ensure that nobody needs to remain unemployed, they want to get a society without poverty and without state charity to support the unemployed (Yunus,2015).

Entrepreneurs of social business consider different social problems like poverty, education, health care, unemployment etc as a problem and want to solve it by doing a business and they want to ensure that they have no unemployed youth in their area. Entrepreneurs of social businesses inspire youth to become entrepreneurs (Yunus, 2015).

Unemployment cannot be solved by creating employment. Unemployment should be resolved by creating entrepreneurship. Therefore, expectation is considered as a construct to measure perception of social entrepreneurs.

The following items are adopted from social business literature based on (Yunus, 2015), Vroom (1964), Praag and Cramer (2001), Levesque et al. (2002)

- (a) I want to see that nobody needs to remain unemployed.
- (b) I want to get a society without poverty.
- (c) I want to get a state without charity.
- (d) I want to pay my employee according to competitive market wages.
- (e) I want to resolve unemployment by creating entrepreneurship.

The items that are mentioned in the above are the expectation factors of social entrepreneur that describe the perception of entrepreneurs regarding social business and are used to form the following alternative hypothesis.

H₇: Expectation has a positive influence on perception of entrepreneur about social business.

5.3.1.1.8 Measurement of perception of Social Business Entrepreneurs (Culture)

Culture refers to the customary practices and beliefs that have a significant impact on the basic values, perceptions, preferences, and behaviors of people (Nayab, 2011). Hofstede identified four value-oriented dimensions of culture that may be used to describe and explain aspects of behavior in various cultural groups. These dimensions are: (1) power distance, (2) uncertainty avoidance, (3) individualism, and, (3) masculinity (Russell, 2004).

Today's societies are high power distance societies, inequality between social groups is observed as part of a "natural" order; consequently, there tends to be large social and economic gaps between those who have power and those who do not. Now a day, young people of the world, come across the unemployment problem.

Young people who are educated with high school education, college education and even university education, but are unemployed. They have no jobs. Bangladesh does not have many jobs for them and this is extremely frustrating.

Societies may attempt to manage uncertainty through social business, rules, technologies, laws and rituals in order to protect those young people from frustration.

The third cultural factor cited by Hofstede is individualism that is very much related to social businesses. In individualistic cultures, social change is accomplished by converting a large-enough number of job-seekers to job givers through new practices or beliefs like social businesses.

The fourth and final dimension of culture is masculinity which is also related to social businesses. Social businesses are gender sensitive and environmentally conscious and the workforce gets market wage with better than standard working conditions. Therefore, culture is considered as a construct to measure perception of social entrepreneurs.

The following items are adopted from social business literature based on Hofstede (1991) Russell, (2004).

- (a) Social business is a mean to reduce the large social gap between those who have power and those who do not power from the society.

- (b) Social business is a mean to reduce the large economic gap between those who have power and those who do not power from the society.
- (c) Social business can manage uncertainty from the society by removing frustration of young people.
- (d) Individualistic societies can be changed into collectivist societies through social business.
- (e) Social businesses are gender insensitive regarding paying wages.

The items that are mentioned in the above are the cultural factors of social entrepreneur that describe the perception of entrepreneurs regarding social business and are used to form the following alternative hypothesis.

H₃: Culture has a positive influence on perception of entrepreneur about social business.

5.3.1.2 Dependent Variables

5.3.1.2.1 Measurement of overall perception of social Business Entrepreneurs

Previous studies on entrepreneurial intentions or general intentions within the theory of planned Behavior shows that there is no singular established measurement for intention that describes perception of entrepreneurs (Liñán, 2008). Liñán, Rodríguez-Cohard, and Guzmán (2008) uses several items along Likert scales, such as “I am ready to do anything to become an entrepreneur” or “My professional goal is to be an entrepreneur”.

Similarly, Müller (2008a) includes items such as “I strongly believe that I will start my own business”.

Ajzen (2002b) suggests the items are “I plan to become an entrepreneur”, “I will become an entrepreneur” and “I intend to become an entrepreneur”.

The following items are adopted from social business literature based on Liñán, (2008), Müller , (2008), Ajzen, (2002).

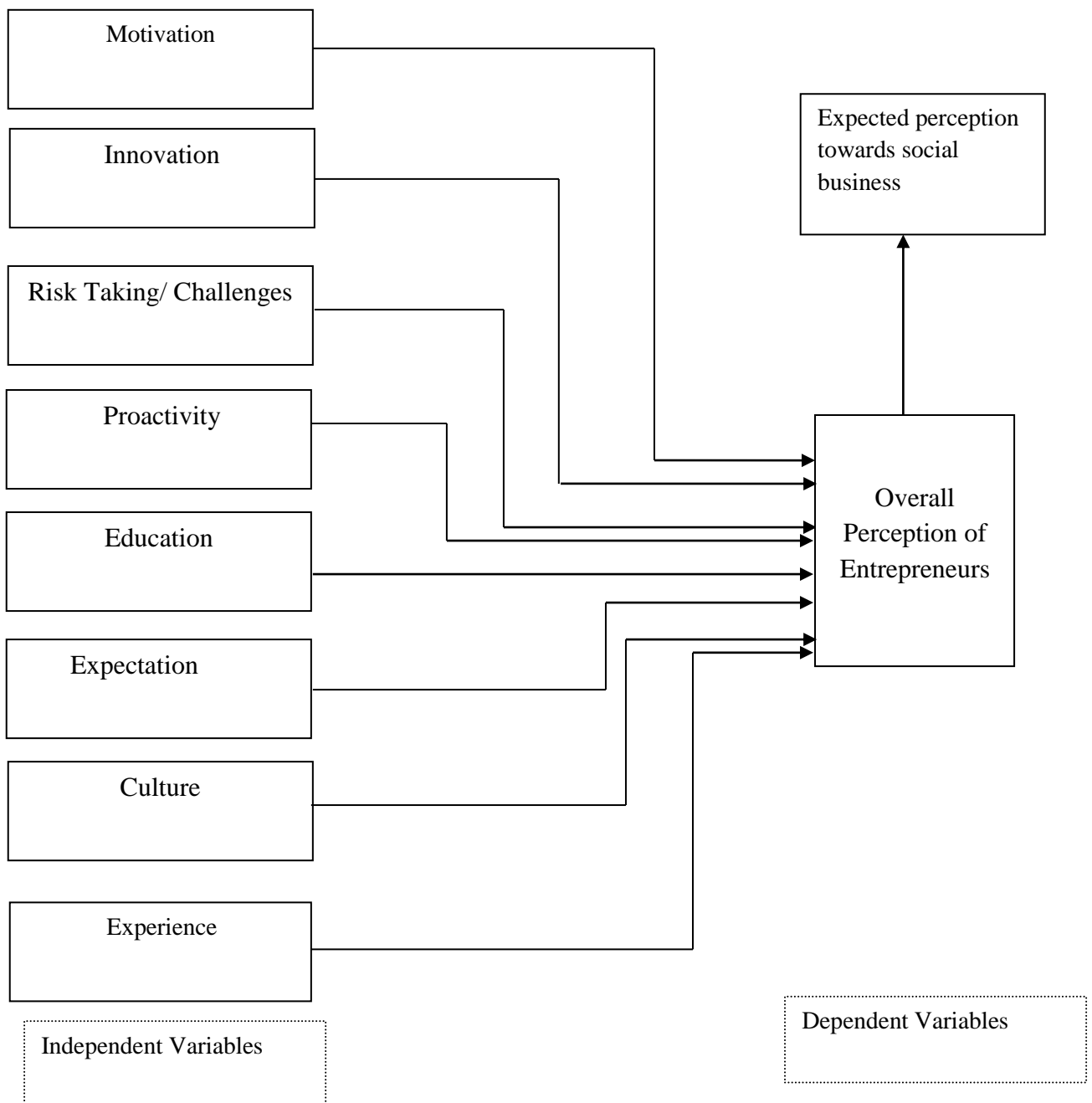
- (a) I prefer to start social business.
- (b) I will make every effort to run my social business.
- (c) My professional goal is to be a social business entrepreneur.

The items that are mentioned in the above are the factors that describe the overall perception of entrepreneurs regarding social business and are used to form the following alternative hypothesis.

H₉: Overall perception of entrepreneurs demonstrates significant effect on expected perception towards social business.

The above discussions regarding independent and dependent variables can be explained with the following figure.

Figure 5.1: Research Model for perception of Entrepreneurs towards social business



Source: Created by Author

5.3.2 Locale of Research

While studying the perception analysis of the entrepreneur towards social business in Bangladesh, it is imperative to select the entrepreneurs located in Dhaka and Chittagong. Dhaka and Chittagong are selected as the study area by the researcher as:

- (i) Dhaka is the capital city of Bangladesh and Chittagong is the commercial Capital of Bangladesh.
- (ii) Most of the profit-seeking entrepreneurs of Bangladesh are located at these two cities.
- (iii) It is convenient for the researcher to select Dhaka and Chittagong City for this kind of study.

5.3.3 Population and Sampling

5.3.3.1 Definition of the population

A sample does not have to be representative of general population, but it must be representative of the population of interest. The population of interest is called the target population (Dillion, 2000). A correct definition of the target population is essentially to address the problem statement.

Dillion, Madden and Firtle (2000) mention three points about defining target populations. Firstly, the target population must be consistent with the objectives of the study. It must contain the persons who possess the information sought by the survey.

Secondly, any other qualities that respondents should have in order to be included in the sample must also be clearly defined. Finally, all decision rules for inclusion or exclusion of respondents from the survey must be clearly explained.

For the purpose of this study the target population is chosen from Dhaka and Chittagong as most of the profit-seeking entrepreneurs of Bangladesh are located at these two cities.

5.3.3.2 Definition of the Sample

Selecting sample means selecting elements from a target population for the ultimate purpose of drawing general conclusions about the entire number of elements (Dillion, Madden and Firtle, 2000). The limitation of time and resources rarely permits the study of all elements of a target population (Churchill, 2000).

In fact, Parasuraman (2004) states that data obtained by sampling, which is only the portion of whole universe, may be more accurate than that obtained from a complete census.

The reason is that the accuracy of the data obtained does not only depend on the number of elements included, but also on other factors related to the processing data (Parasuraman, 2004).

Although there are statistical formulae available to compute a specific sample size to yield a given level of confidence for a single variable, they are of little value even to experienced researchers (Alreck and Settle, 2000).

The calculations require fairly accurate estimates of population variance, which is seldom known in advance. Additionally, most survey includes many variables and it is often not possible to calculate variances in advance for each variable. If such calculations were performed and the largest required sample size used, the sample size might very likely larger than required for all but a few variables (Alreck and Settle, 2000).

The sample size was influenced by the main statistical technique to be used in the study, i.e. the structural equation modeling. Other factors that affected the sample size decision were related to the complexity (for generalization purposes) of the study, expected rate of missing data, and the estimation procedure used (Hair et al., 2006).

One important advantage of quantitative research methods is that valid inferences can be made on the study population from the findings of the study sample, as far as the sample is selected randomly enough to represent the important characteristics of the study population. So, estimating the sample size and dealing with non-response bias was essential, as far as quantitative survey design (and this study) is concerned. The question then was on the size of the study sample. To estimate this and minimize the alpha error, Fisher et al. (1983) formula was used the following equation

$$n = \frac{(Z^2 pq)}{d^2}$$

Where: n is the sample size estimated

Z is the statistical certainty chosen or the standard z-statistic of the normal distribution (95%) corresponding to the chosen level of significance (usually 5%).

p is the proportion of the character of interest or the estimated level/coverage to be estimated (q=1-p).

d is the maximum probable error which the researcher is willing to tolerate or the tolerated maximum value of relative sampling error (this study considered an error of 5% deviation from the results).

According to the generalisability of scientific results, guidelines for sample size estimation indicate that (Hair et al., 2006):

- (i) Sample sizes larger than 30 and less than 500 are appropriate for most research.
- (ii) When samples are to be divided into sub-samples, a minimum sample size of 30 for each category is necessary
- (iii) In multivariate research, the sample size should be several times (preferably 10 times or more) as large as the number of variables in the study.

Finally, determining the sample size, important qualitative factors that should be considered like nature of the study, the number of variables, the nature of the analysis etc. Considering the nature of the study, number of variables and the nature of the analysis, a minimum size of 500 usable responses was targeted, from Dhaka and Chittagong city.

5.3.3.3 Sampling

Sampling ensures that a sufficient number of elements of a given population form the basis for drawing conclusions for the whole population (Cavana et al., 2001). Sampling as a term comprises the principles of identifying and accessing sources of data. It often seems to be more associated with the logics of measurement and probability which are often elements of positivistic, quantitative research. Probability sampling is used when a researcher is seeking a strong correspondence between their research population and the sample drawn from it.

The stronger the correspondence, the greater the degree of ‘confidence’ (probability) that trends, variations and patterns found in the sample are representative of trends, variations, and patterns that are present in the research population. The stronger the correspondence, the more valid are the generalisations about the research population drawn from the sample.

Probability sampling begins with identifying the *sampling frame*. This is a collection of data that lists all of the constituent units of the population (e.g. an electoral register, a telephone directory, or a list of students registered at a particular university).

In this study simple random sampling technique has been used because every element is selected independently of every other element and the sample is drawn by a random procedure from a sampling frame (Malhotra, 2013).

Sampling frame of this study is to be considered the directories of Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) at Dhaka and Chittagong City. Sampling unit of this study has considered the traditional (profit/non-profit seeking) business entrepreneurs of Dhaka and Chittagong City in Bangladesh.

5.3.3.4 Pre-test and Item Modification

A pre-test was conducted to assess the questionnaire's strengths and weaknesses. Kinnear and Taylor (1996) suggested that questionnaire should be tested in all aspects before the questionnaire can be regarded as ready for administration. Pre-testing should be conducted with similar respondents to those who would be included in the actual survey (deVaus, 2002). Since part of the measurement items were developed specifically for the purposes of this study, evaluating the questionnaire was considered to be necessary to verify its clarity before it was used on the sample population. The results of the pre-test were then used to modify and add questions.

A draft version of the questionnaire was sent to university colleagues who are researchers, inviting them to provide feedback and asking them to look for such things as difficulties with question wording, with leading questions, and bias due to order. University colleagues were asked to provide a critical appraisal and to make comments with a view to amending the questionnaire.

The purpose of this pre-test was not only to avoid linguistic errors that might have occurred in the translation process, but also to find out whether instructions could be followed readily by respondents, whether the questions could be easily understood, and how long it would take to complete. Any comments or suggestions made by respondents were also addressed. Some minor changes were made to the wording, phrasing, ordering and presentation of the questionnaire.

5.3.3.5 Data Collection Methods

According to Sekaran (2003), evaluation of acceptance and use of technology research utilizes different methods for data collection. Survey methods are common and popular in addition to

structured interviews. With the introduction of new technologies, surveys range between the use of non-Internet surveys and Internet surveys. Door-to-door surveys, ad hoc mail surveys and self administered questionnaires are a number of ways in which non-internet types of surveys can be administered (Sekaran,2003).Each of these ways has its advantages and disadvantages. The following table outlines the advantages and disadvantages of each type as suggested by Sekaran (2003).

Table 5.1 Advantages and disadvantages of Data Collection Mode

Mode of Data Collection	Advantages	Disadvantages
Personally/self administered questionnaires	Ability to rapport and motivate respondent. Doubts can be clarified. Less expensive when administered to a group of respondents. High response rate assured. Respondent anonymity is high.	Organizations may be reluctant to give company time for the survey with groups of employees assembled for the purpose.
Mail questionnaires	Anonymity is high. Wide geographical regions can be reached. Respondents can take more time to respond at convenience. Can be administered electronically if desired.	Response rate is almost always low. A 30% rate is acceptable. Cannot clarify questions. Follow-up procedures for non-response are necessary.
Electronic questionnaires	Easy to administer; can reach globally; inexpensive. Fast delivery; Respondents can answer at their convenience like the mail questionnaire.	Computer literacy is a must. Respondents must have access to the facility. Respondents must be willing to complete the survey.

Source: Sekaran , 2003

The current study used a personally/self administered questionnaire due to its ability to motivate respondent and high response rate. Personally administered questionnaire was a better way of collecting data and were a feasible method because the survey was confined to the capital city and commercial city of Bangladesh where most of the entrepreneurs are located.

5.3.3.6 Data Collection Tools

Questionnaire is one of the most important data collection tools. Parasuraman(2004) indicates that there are no rules that can be followed to ensure a flawless questionnaire. There are two general aspects to every questionnaire (Sommer and Sommer, 2003) its content and its format.

The content of the questionnaire of this study was to determine the perception of entrepreneurs towards the social business in Bangladesh. Most of the contents of this questionnaire were to describe the perception of entrepreneurs regarding social business.

There are two basic formats of survey questions: structured and unstructured (Alreck and Settle, 2000). The major data collection instrument was a structured questionnaire comprising a pre-formulated written set of statements adopted.

The reasons for using a structured and self-administered questionnaire as the main data collection tool are the following:

- (i) Quantifiable information was required with regard to the study entrepreneurs perception/intentions regarding social business in Bangladesh.
- (ii) A structured questionnaire was the most efficient and effective data collection tool especially when the study had defined variables to measure. Sekaran (2003) agrees that field studies often use questionnaires to measure variables of interest.
- (iii) A questionnaire can be administered to a large number of individual respondents simultaneously; is less expensive, less time consuming and does not require a lot of skills, compared to conducting interviews (Mugenda 2008; Amin 2005; Mugenda and Mugenda 2003).

A structured questionnaire consists mainly of close-ended questions. It was decided to use a seven-point Likert Scale as a measurement technique. The Likert scale is a technique where a large number of items that are statements of beliefs or intentions are generated.

Each item is judged according to whether it reflects a favorable or unfavorable item perception towards the object in question. Respondents are then asked to rank their perception on each scale item in terms of a seven-point category-labeled scale (Dillon et al., 2000).

5.3.4 Data Analysis

The statistical techniques that were used for interpreting data are presented here. Both descriptive and statistical statistics analysis were used for interpreting data. This present study used SPSS version 22 (Statistical Package for Social Science) for descriptive analysis.

Structural Equation Modeling (SEM) was conducted using AMOS 22 to test the proposed relationship among the study variables. Before testing the hypothesized path using SEM construct validity was assessed by running a confirmatory factor analysis (CFA) as suggested by Anderson and Gerbing (1988). Three different levels of data measurements were elicited by the questionnaire. This included nominal (e.g., gender) interval (e.g., the age group) and ordinal data created by the Likert scale.

5.3.4.1 Descriptive Statistics

Descriptive statistics can be categorized into three groups. The first group is the mean, median or mode that deals with the central tendency of the variables (Mazzocchi, 2008). The mean is considered an average calculated as the sum of the values in a data set divided by the number of values in the set.

The major characteristic of the mean is the computation of the mean based on all values of a data set. The median is the value of the middle item when the numbers are arranged in order of magnitude. The median is a positional average, it is not defined algebraically as the mean, in some cases it cannot be computed exactly and it is centrally located.

The value that occurs most frequently in the data set is called mode. The major characteristics of the mode are that it is the highest frequency in a set of values, the mode of a set of discrete data is easy to compute, it is not affected by extreme values and the value of the mode can be significantly affected by method of designing the class interval (Shao, 2002).

The second group represents dispersion; this can be estimated by using the range, variation (for standard deviation), and the coefficient of variation (Mazzocchi, 2008). The range is the difference between the highest and lowest values in a data set. The variation and standard deviation serve as measures of variability among the sample data. The coefficient of variance is the most commonly used measure of dispersion expressed in a relative value. This measure can be used only when the variable is measured on a ratio scale (Shao, 2002).

5.3.4.2 Statistical Analysis

In this study, the statistical analysis includes factor analysis, confirmatory factor analysis (CFA) and structural equation modeling (SEM).

5.3.4.2.1 Factor Analysis

The primary purpose of factor analysis is to define the underlying structure among the variables in the analysis. Factor analysis is an interdependence and multivariate technique that is used to summarize the information contained in a large number of variables as a smaller number of subsets or factors (Hair et al., 2003; Mazzocchi, 2008). It is also treated as a foundation of structural equation modeling along with the multiple regression analysis (Hair et al., 2006).

Factor analysis also identifies the dimensions of the original observed measures of a scale in terms of a hierarchical structure of non-observed latent variables or factors. The items in the original scale should be metric and correlated. The factors are arranged in descending order of importance in terms of their contributions to the explanation of the total variance of the scale. The broad aims of the analysis are to identify the number of factors and interpret what they represent.

The theoretical framework is the factor model that explains the observation on the original variable, its variance and the covariance between pairs of variables. According to the model, the original variables are determined by a linear combination of common factors and the influence of a unique factor. The model is based upon a series of assumptions. The original variables and the common factors are standardized to have zero mean and unit variance. The covariance between common factors and unique factors and between pairs of common factors and unique factors is zero.

The analysis employs principal components analysis and extracts greater than unity with Varimax rotation. Confirmation that the data are correlated is evaluated using Bartlett's test for sphericity, adopting a significance level of five per cent. Goodness of fit is reported and evaluated using communalities, and total variance is explained.

5.3.4.2.2 Confirmatory Factor Analysis

According to Hair et al.(2006), the purpose of the factor analysis can be achieved from either exploratory or confirmatory perspective. Exploratory factor analysis is useful in searching for structure among a set of variables or as a data reduction method. When discussing the application of SEM, Hair et al. (2006) use a six-stage decision process: (a) Defining individual constructs (b) Developing the overall measurement model (c) Designing a study to produce empirical results (d) Assessing the measurement model validity (e) Specifying the structural model and (f) Assessing the structural model validity.

Confirmatory factor analysis is a method of testing how well measured variables represent a smaller number of constructs (Hair et al., 2006). The researchers need to specify both the number of factors that exist within a set of variables and which factor each variable will load highly on before results can be computed (Hair et al., 2006).

CFA is a tool that enables researchers to either confirm or reject a preconceived theory and it can show how well the specification of the factors matches the actual data (Hair et al., 2006). CFA also estimates those relationships which link constructs to variables and constructs to each other (Hair *et al.*, 2006). CFA is always compared and contrasted with EFA when it is used to illustrate the concepts such as correlation, covariance and factors loadings. Hair *et al.* (2006) also note that the CFA model provides the foundation for all further theory setting.

5.3.4.2.3 Structural Equation Modeling (SEM)

Structural equation modeling is a powerful analytical technique that is used for measuring relationships among unobserved variables and has been in use since early in the 20th century. SEM is a family of statistical models that seek to explain the relationships among multiple variables and it examines the structure of interrelationships expressed in a series of equations, similar to a series of multiple regression equations (Hair et al., 2006).

SEM is a unique combination of both dependence and interdependence techniques (Hair et al., 2006). When one dependent variable becomes an independent variable in a subsequent dependence relationships and it gives rise to the interdependent nature of the structural model, then it is particularly useful (Hair et al., 2006).

SEM has three characteristics that make it a unique statistical technique in multivariate data analysis. The three characteristics are given below:

- (i) Estimation of multiple interrelated dependence relationships
- (ii) Incorporating latent variables not measured directly
- (iii) Defining a model.

SEM estimates a series of separate but interdependent variables. Normally researchers translate these variables into a series of structural equations for each dependent variable on the basis of the proposed relationship of a model that is dependent on the theory and prior experience (Hair et al. 2006). SEM allows a single relationship between dependent and independent variables that makes it a unique.

A complete SEM model consists of a measurement and structural models. A model should always be developed based on some underlying theory. A structural model involves specifying structural relationships between latent constructs which can be related to measured variables with a dependence relationship. Among the constructs two types of relationships are possible. The first one is a dependence relationship that is always depicted by a straight arrow and used between an exogenous construct and endogenous constructs.

The second one is a correlation relationship which is depicted by a two-headed arrow connection that can be shared only between independent constructs. The Root mean square error of approximation (RMSEA), the Tucker-Lewis Index (TLI) and the Comparative fit index (CFI) are used to evaluate a structural model's goodness of fit. The ideal value of RSMEA is 0 and an acceptable value is less than 0.08. The ideal value for TLI ad CFI is 1, but close to 1 indicates a good fit. Using composite reliability (CR) and average variance extracted (AVE) construct reliability is evaluated. Estimated coefficients are evaluated for statistical significance and the correct sign.

The proportion of a variance of a construct explained by antecedent constructs or measures is evaluated by squared multiple correlation coefficient (SMCC). The researcher has to approximate the value to the nearest whole percentage.

5.3.5 Reliability and Validity

Reliability refers to the extent to which a scale produces consistent results if repeated measurements are made (Malhotra, 1996). The purpose of the reliability assessment is to check the validity and to improve the quality of the measure. The multi-item measurement scale for tapping into a construct is one suggested way of improving reliability and decreasing measurement error (Peter, 1979). The most common method accepted by researchers in assessing the reliability of multi-item measures is Cronbach's alpha (Cronbach, 1951).

It is a measure of the internal consistency of a set of items, and is considered "absolutely the first measure" one should use to assess the reliability of a measurement scale (Churchill, 1979). A low Cronbach's alpha indicates that the sample of items does not capture the factor and is not shared in the common core of the construct. In order to increase Cronbach's alpha such items should be eliminated.

There is no set standard regarding the minimum acceptable threshold value of Cronbach's alpha, but Nunnally (1978) suggested that 0.70 is an acceptable reliability coefficient. Hair et al. (1998) noted that the generally agreed upon lower limit for Cronbach's alpha is 0.70, although it may decrease to 0.60 in exploratory research.

In the case of this study, Cronbach's alpha was calculated for the major factors Innovation, motivation, experience, expectation, proactivity, education, risk, cultural and overall perception factors of entrepreneur. All Cronbach's alphas were at an acceptable level, and ranged between 0.60 and 0.94.

Validity refers to "the extent to which differences in observed scale scores reflect true differences among objects on the characteristic being measured, rather than systematic or random error" (Malhotra, 1996). There are three main types of validity: content validity, criterion validity, and construct validity. Content validity can be assured by agreement among experts that the scale is measuring what it is supposed to measure.

In this study, the self-administered questionnaire was prepared based on concepts of the developed model. The pre-test helped in establishing content validity. Criterion validity examines whether measures perform as expected in regard to other constructs selected as meaningful criteria, and can be categorized into concurrent and predictive validity.

This measure of validity used to be popular (Peter, 1979). However, its popularity has vanished with the increasing use of construct validity in current studies. Construct validity directly addresses the question of what the instrument is actually measuring (Churchill, 1995). It testifies to how well results obtained from the use of measures fit the theories around which the test is designed. This is assessed through convergent and discriminant validity, which can be established by factor analysis.

5.3.6 Chapter Summary

This chapter described the methods and procedures to identify the perceptions of entrepreneurs towards social business. The research design, sample population, sampling, conceptual framework, and instrumentation has been presented. Additionally, the chapter also discussed the data collection process, as well as, the data analysis of the information attained.

6.1 Introduction

The aim of this chapter is to present the empirical results of this study. The findings are presented and organized into four main categories that include demographic characteristics, mean score for scales, factor analysis and SEM analysis.

6.2 Demographic Characteristics

Concerning gender, the sample is not well mixed, Out of the 448 respondents, 365 respondents were male (82.5%) and only 83 were female (18.5%). These results indicate that the number of male entrepreneurs is greater than the number of female entrepreneurs in Bangladesh. The following table is the representation of this phenomenon.

Table 6.1: Participant's Gender Distribution

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	365	81.5	81.5	81.5
	Female	83	18.5	18.5	100.0
Total		448	100.0	100.0	

Source: SPSS Output

The following Table2 shows 97.3% of the respondents are aged between 18-55 years. This study illustrates that the highest number of participant's age in between 26-35 years. A detailed age distribution is shown in the following table 6.2.

Table 6.2: Participant's Age Distribution in years

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	105	23.4	23.4	23.4
	26-35	174	38.8	38.8	62.3
	36-45	111	24.8	24.8	87.1
	46-55	46	10.3	10.3	97.3
	56-65	12	2.7	2.7	100.0
Total		448	100.0	100.0	

Source: SPSS Output

With respect to the level educational qualification, 7.8% of the respondents were below S.S.C, 8.5% of the respondents were S.S.C, 21.4% participants were H.S.C, 42.9% of the participants were Graduate and the remaining 19.4% were post Graduate.

Table 6.3: Participant's Educational Qualification

		Educational qualification			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below S.S.C	35	7.8	7.8	7.8
	S.S.C	38	8.5	8.5	16.3
	H.S.C	96	21.4	21.4	37.7
	Graduate	192	42.9	42.9	80.6
	Post Graduate	87	19.4	19.4	100.0
	Total	448	100.0	100.0	

Source: SPSS Output

In terms of occupation, most of the respondents were profit seeking entrepreneurs (75.9%), a few of the respondents was doing social business (including Grameen Bank) and some respondents told that they can start social business with profit seeking business (20.5%) and 3.6% respondents were Non-profit business entrepreneurs. The following table shows the occupation of the respondents. Some of the respondents expressed their opinion that it is difficult for them to start social business but they want to solve different human problems with profit seeking business.

Table 6.4: Participant's Occupation

		Occupation			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Profit Seeking Business	340	75.9	75.9	75.9
	Social Business	92	20.5	20.5	96.4
	Non-Profit Business	16	3.6	3.6	100.0
	Total	448	100.0	100.0	

Source: SPSS Output

6.3 Mean Scores for Scales

In this section, mean scores are presented for the scale items associated with Motivation, Innovation, Risk taking, Proactivity, Education, Expectation, Cultural and overall perception

6.3.1 Motivation factor for Social Business

The mean scores for Motivation factor reveal that the most important measures are Moti3= “I want to start a business that will be environmentally conscious” (6.02) and the second important measures are Moti4= “I want to make my business financially sustainable” (6.00).

These two important items represent that entrepreneurs want to start a business which is financially sustainable and environmentally conscious. In all other items of Motivation factor entrepreneurs are about similar opinion except Moti2 [Moti1= I want to start a business which is dedicated entirely to solve human problems (5.61), Moti5= I want to motivate my workers through social business (5.68) and Moti6= I want to get inner pleasure by helping to solve social problems (5.86)] The mean scores value for Moti1, Moti5 and Moti6 indicate that entrepreneurs are somewhat agree on those items but the mean score value of the item Moti2= I want to be happy to start a business that only offers me the invested amount over a period of time (4.52) indicates that entrepreneurs are neither agree nor disagree on the item.

Table 6.5: Mean Scores for Motivation factor of Social Business

	N	Mean	Std. Deviation
Moti1	448	5.61	1.466
Moti2	448	4.52	1.812
Moti3	448	6.02	1.241
Moti4	448	6.00	1.137
Moti5	448	5.58	1.334
Moti6	448	5.86	1.231
Valid N (listwise)	448		

Source: SPSS Output

The result of the item Moti2 (4.52) reveals that entrepreneurs are not happy with the invested amount over a period of time which is a principle of social business.

6.3.2 Experience factor for Social Business

For the measure of experience factor of social business (Table 6.6) indicates that the mean scores of all the items are low [Exp7= I have a basic understanding of social business (4.21), Exp8= I have prior experience of social business (3.21) and Exp9= I have expertise in starting up a social business (3.13)]

Table 6.6: Mean Scores for Experience factor of Social Business

Descriptive Statistics			
	N	Mean	Std. Deviation
Exp7	448	4.21	2.036
Exp8	448	3.21	1.998
Exp9	448	3.13	1.995
Valid N (listwise)	448		

Source: SPSS Output

The above results indicate that entrepreneurs agree or disagree regarding the basic understanding of social business. Entrepreneurs do not have prior experience of doing social business and they do not have expertise in starting up a social business.

6.3.3 Innovation factor for Social Business

In the case of Innovation factor (Table 6.7), all means are very high, which suggests that these items are very important for the perception of social business entrepreneurs. The most important items are Innov11=Social business provides new opportunities for learning (5.69), Innov12=Social business provides new opportunities for innovation (5.61), Innov10=Social business provides innovative solutions to social problems(5.54), Innov16= Social business model is an effective mean to fight poverty (5.54), Innov13=Brands created through social business have a positive image (5.48) and Innov17=Social business model is a productive source of new business ideas (5.48).

Table 6.7: Mean Scores for Innovation factor of Social Business

Descriptive Statistics			
	N	Mean	Std. Deviation
Innov10	448	5.54	1.231
Innov11	448	5.69	1.226
Innov12	448	5.61	1.330
Innov13	448	5.48	1.329
Innov14	448	5.09	1.420
Innov15	448	5.09	1.355
Innov16	448	5.54	1.423
Innov17	448	5.48	1.321
Valid N (listwise)	448		

Source: SPSS Output

The remaining two items (Innov14=Social business transforms the traditional business mindset and Innov15=The transformed mindset through social business increases business efficiency) are important for the perception of social business entrepreneurs. The all mean scores result of Innovation factor illustrate that entrepreneurs are somewhat agree on the items of innovation factor of social business.

6.3.4 Risk taking factor for Social Business

The mean scores for Risk taking factor (Table 6.8) indicates that the most important of the risk taking items are Risk23= I am willing to take the challenges of social business (4.87), Risk21= I am willing to take the biggest challenge of social business (4.70), Risk20= I am willing to take social risk to implement social business (4.62).

Table 6.8: Mean Scores for Risk taking factor of Social Business

Descriptive Statistics			
	N	Mean	Std. Deviation
Risk18	448	4.53	1.795
Risk19	448	4.45	1.718
Risk20	448	4.62	1.667
Risk21	448	4.70	1.689
Risk22	448	4.34	1.681
Risk23	448	4.87	1.636
Valid N (listwise)	448		

Source: SPSS Output

The mean values of other three items Risk18, Risk19 and Risk22 (Risk18=I am willing to take financial risk to implement social business, Risk19= I am willing to take psychological risk to implement social business and Risk22= I am willing to take inherent risks of social business) are 4.53, 4.45 and 4.34 respectively. In the case of Risk taking factor of social business, the above results clearly depicts that entrepreneurs are not willing to take risk that are associated with social business.

6.3.5 Proactivity factor for Social Business

In the case of Proactivity factor of social business (Table 6.9), all the means are very high, which suggests that they are all important items for the perception of entrepreneurs about social business. The most important items of Proactivity factor are Pro24= "I want to transform job-seeker into a job-giver through social business"(5.65), Pro25= "I propose new ways of doing

things through social business”(5.38), Pro27= “ I carry on social business until a significant change of unemployment”(5.19) and Pro26=“ I seek opportunities through social business”(5.17).

Table 6.9: Mean Scores for Proactivity factor of Social Business

Descriptive Statistics			
	N	Mean	Std. Deviation
Pro24	448	5.65	1.316
Pro25	448	5.38	1.356
Pro26	448	5.17	1.393
Pro27	448	5.19	1.537
Valid N (listwise)	448		

Source: SPSS Output

The above results of the Proactivity factor gives a clear statement that entrepreneurs want to transform a job-seekers to a job-givers, propose new ways of doing things through social business, seek opportunities through social business and carry on social business until a significant change of unemployment.

6.3.6 Education factor for Social Business

In the case of education factor of social business (Table 6.10), all the mean values of the item are high that suggests that they are all important items for the perception of entrepreneurs regarding social business. Edu28=“ For a successful social business entrepreneur, knowledge regarding social problems is needed” is the important item whose mean value is 5.84.

The next important item is Edu29=“Lack of education may limit people’s understanding of the value of social business” and its mean value is 5.66. The mean value of other two items Edu30=“Social business must go beyond traditional marketing strategies” and Edu31=“Social business model is an iterative learning process involving time, effort and trial and error” are also important for the perception of social business entrepreneurs because their mean values are 5.16 and 5.15 respectively.

Table 6.10: Mean Scores for Education factor of Social Business

Descriptive Statistics			
	N	Mean	Std. Deviation
Edu28	448	5.84	1.234
Edu29	448	5.66	1.315
Edu30	448	5.16	1.363
Edu31	448	5.15	1.342
Valid N (listwise)	448		

Source: SPSS Output

The above results explain that the participants agree for a successful social business entrepreneur, knowledge regarding social problems is needed, lack of education may limit the understanding of social problems and social business model is an iterative learning process.

6.3.7 Expectation factor for Social Business

The following table 6.11 shows that the mean values of the items of expectation factor of social business are very high and it gives a clear description that these items are important for the measurement of expectation of social business entrepreneurs. The most important items in these respect are Expec33= “I want to get a society without poverty” (6.26), Expec32= “I want to see that nobody needs to remain unemployed” (6.13), Expec36= “I want to resolve unemployment by creating entrepreneurship” (6.01), Expec34= “I want to get a state without charity” (5.87) and Expec35= “I want to pay my employee according to competitive market wages”(5.74).

Table 6.11: Mean Scores for Expectation factor of Social Business

Descriptive Statistics			
	N	Mean	Std. Deviation
Expec32	448	6.13	1.048
Expec33	448	6.26	.983
Expec34	448	5.87	1.169
Expec35	448	5.74	1.051
Expec36	448	6.01	1.021
Valid N (listwise)	448		

Source: SPSS Output

The above results illustrate that respondents are agreed to get a society without poverty and charity and to resolve unemployment by creating entrepreneurship.

6.3.8 Cultural factor for Social Business

In the case of cultural factor (Table 6.12), the entire mean are high which suggests that they all are very important items for the measurement of social business entrepreneur's perception. The most important items of cultural factors are Cul39= "Social business can manage uncertainty from the society by removing frustration of young people"(5.68), Cul37="Social business is a mean to reduce the large social gap between those who have power and those who do not power from the society"(5.49), Cul38= "Social business is a mean to reduce the large economic gap between those who have power and those do not have power from the society"(5.43), and Cul40="Individual societies can be changed into collectivist through social business"(5.40) and Cul41="Social business are gender insensitive regarding paying wages"(5.21).

Table 6.12: Mean Scores for Cultural factor of Social Business

Descriptive Statistics			
	N	Mean	Std. Deviation
Cul37	448	5.49	1.273
Cul38	448	5.43	1.269
Cul39	448	5.68	1.232
Cul40	448	5.40	1.317
Cul41	448	5.21	1.419
Valid N (listwise)	448		

Source: SPSS Output

The above results explain that respondents consider social business is a mean to reduce the large social and economic gap between those who have power and those do not have power from the society. Respondents also agree that social business can manage uncertainty from the society as well as change individualistic societies into collectivist societies.

6.3.9 Overall perception factor for Social Business

In the case of overall perception of social business, (Table 6.13) the mean values of the items of the overall perception are low [(Ovp42= I prefer to start social business (4.98), Ovp43= I will make every effort to run my social business (4.84) and Ovp44=My professional goal is to be a social business entrepreneur (4.57)].

Table 6.13: Mean Scores for Overall factor of Social Business

Descriptive Statistics			
	N	Mean	Std. Deviation
Ovp42	448	4.98	1.860
Ovp43	448	4.84	1.856
Ovp44	448	4.57	2.012
Valid N (listwise)	448		

Source: SPSS Output

The above mean values indicate that a very few entrepreneurs prefer to start social business but of the entrepreneurs neither agree nor disagree to start social business. Most of the entrepreneurs do not want to start social business as their professional goal.

6.4 Factor Analysis

Factor analysis is primarily used for data reduction and summarization. Relationships among sets of many interrelated variables are examined and represented in terms of a few underlying factors. In analysis of variance, multiple regression, and discriminate analysis, one variable is considered as the dependent or criterion variable and the others are independent or predictor variables.

Factor analysis is an interdependence technique in that an entire set of interdependent relationships is examined (Malhotra et al., 2013).

In this study, principle component of factor analysis has been used to explain the correlations among a set of variables. The purpose of principal component analysis is to obtain a relatively small number of factors that can responsible for the variability found in a relatively large number of variables.

In particular, principal component analysis may be used to reduce the number of variables by grouping items into several factors and explore the relationship between the items (Zikmund, 2000). The results indicate that the data are suitable for factor analysis as Barlett's test of sphericity is significant at a 0.000 level.

Also, the value of the KMO measure of sampling adequacy for all the constructs is above the acceptable level of 0.60. The sample of 448 used in this study is adequate; therefore it will produce a reliable factor analysis (Comrey and Lee, 1992; Hair et al., 1998; Tabachnick and Fidell, 2001).

Several methods are suggested for determining the number of factors to be retained. Firstly, an Eigenvalue above 1.0 is the most common measured used. Eigenvalues represent the percentage of variance explained by a given factor. Secondly, to simplify the factor structure and enhance more information for factor interpretation rotation is conducted.

The Varimax approach has used to maximize the simplification of the columns of the factor matrices. The objective of the rotation is to achieve a clear separation of the factors and to identify the variables most representative of these factors. The purpose of rotating factors is to increase the fit of the factors to groups of variables (Turner, 1991).

According to Hair et al. (1998) variables with factor loadings greater than 0.3 are considered to meet the minimum level; factor loadings with 0.4 are considered more important and factor loadings greater than 0.6 or greater are considered practically significant. In addition, if only two variables load highly on a factor, the factor has assessed as reliable, if (i) they are considered to be highly correlated with each other; and (ii) relatively uncorrelated with the other variables.

Thus, the final analysis focused only on the factors that were defined by two or more variables with factor loadings of 0.6 and above, and for which interpretation was clear. The following section describes the factor analysis of constructs that influence the perception of social business entrepreneurs.

6.4.1 Factor Analysis of Motivation Construct

Table 6.14 Component Matrix, KMO and Bartlett,s Test of Motivation Construct

Component Matrix ^a			KMO and Bartlett's Test		
	Component		Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	Approx. Chi-Square	Df
	1	2			
Moti1	.718	.265	.803	740.956	15
Moti2	.580	.618			
Moti3	.753	-.313			
Moti4	.620	-.527			
Moti5	.772	.179			
Moti6	.766	-.162			.000

Extraction Method: Principal

Component Analysis.

a. 2 components extracted.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.987	49.783	49.783	2.987	49.783	49.783	2.021	33.682	33.682
2	.886	14.761	64.544	.886	14.761	64.544	1.852	30.862	64.544
3	.717	11.955	76.499						
4	.566	9.430	85.929						
5	.473	7.876	93.805						
6	.372	6.195	100.000						

Extraction Method: Principal Component Analysis.

From the tables, the approximate Chi-square statistics is 740.956 with 15 degree of freedom, which is significant at the 0.05 level. A large value of test statistic favors the rejection of the null hypothesis. The value of the KMO statistics .803 is also large (>0.5). Therefore, factor analysis is appropriate technique for analyzing correlation matrix. Here 64.54% of the variance can be explained by two factors or component. By using surrogate variables, here variable Moti5 is the highest loadings (.772), also Moti6, Moti3 and Moti1 are close to highest loadings. Therefore, entrepreneurs want to start business to solve human problems, environmentally conscious business, financially sustainable business but variable Moti2 is the lowest loading it means entrepreneurs are not happy with the return of investment amount only.

6.4.2 Factor Analysis of Experience Construct

Table 6.15 Component Matrix, KMO and Bartlett,s Test of Experience Construct

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.690
Bartlett's Test of Sphericity	Approx. Chi-Square	690.429
	Df	3
	Sig.	.000

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.346	78.215	78.215	2.346	78.215	78.215	1.684	56.127	56.127
2	.455	15.162	93.378	.455	15.162	93.378	1.118	37.250	93.378
3	.199	6.622	100.000						

Extraction Method: Principal Component Analysis.

Rotated Component Matrix^a

	Component	
	1	2
Exp7	.334	.941
Exp8	.853	.401
Exp9	.919	.268

Extraction Method: Principal Component Analysis.

From the table, the approximate Chi-square statistics is 690.429 with 3 degree of freedom, which is significant at the 0.05 level. A large value of test statistic favors the rejection of the null hypothesis. The value of the KMO statistics .690 is also large (>0.5). Therefore, factor analysis is appropriate technique for analyzing correlation matrix. Here 93.37% of the variance can be explained by two factors or component. Here Exp7 is highly related with factor 2 and Exp9 is highly related with factor1. It means that entrepreneurs have basic understanding of social business and they have expertise in starting social business but their previous experience of doing social business is low.

6.4.3 Factor Analysis of Innovation Construct

Table 6.16 Component Matrix, KMO and Bartlett,s Test of Innovation Construct

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.846
Bartlett's Test of Sphericity	Approx. Chi-Square	1349.082
	Df	28
	Sig.	.000

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.947	49.335	49.335	3.947	49.335	49.335	2.507	31.339	31.339
2	1.026	12.822	62.157	1.026	12.822	62.157	2.465	30.818	62.157
3	.733	9.167	71.324						
4	.654	8.169	79.493						
5	.558	6.979	86.472						
6	.429	5.362	91.834						
7	.389	4.868	96.702						
8	.264	3.298	100.000						

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component	
	1	2
Innov10	.771	-.200
Innov11	.734	-.479
Innov12	.755	-.494
Innov13	.674	.306
Innov14	.573	.522
Innov15	.692	.282
Innov16	.686	.256
Innov17	.716	.004

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

From the table, the approximate Chi-square statistics is 1349.082 with 28 degree of freedom, which is significant at the 0.05 level. A large value of test statistic favors the rejection of the null

hypothesis. The value of the KMO statistics .846 is also large (>0.5). Therefore, factor analysis is appropriate technique for analyzing correlation matrix. Here 62.15% of the variance can be explained by two factors or component. Here most of the high loadings are related with factor 1. Highest loading is Innov10 (.771), Innov11 and Innov12 are also closely related to highest loading. Therefore entrepreneurs consider that social business provides innovative solutions to social problem, provides new opportunities for learning and innovation.

6.4.4 Factor Analysis of Risk taking Construct

Table 6.17 Component Matrix, KMO and Bartlett,s Test of Risk Taking Construct

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.886
Bartlett's Test of Sphericity	Approx. Chi-Square	1669.865
	Df	15
	Sig.	.000

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.125	68.743	68.743	4.125	68.743	68.743
2	.617	10.286	79.029	.617	10.286	79.029
3	.409	6.815	85.843			
4	.315	5.252	91.095			
5	.286	4.759	95.854			
6	.249	4.146	100.000			

Extraction Method: Principal Component Analysis.

	Component	
	1	2
Risk18	.830	-.240
Risk19	.820	-.432
Risk20	.846	-.209
Risk21	.795	.467
Risk22	.845	.113
Risk23	.837	.313

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

From the table, the approximate Chi-square statistics is 1669.865 with 15 degree of freedom, which is significant at the 0.05 level. A large value of test statistic favors the rejection of the null hypothesis. The value of the KMO statistics .886 is also large (>0.5). Therefore, factor analysis is appropriate technique for analyzing correlation matrix. Here 79.02% of the variance can be explained by two factors or component. Here most of the loadings are related to component1. Highest loading is Risk20 (.840). Entrepreneurs' can take social risk to implement social business, also other risks are significant.

6.4.5 Factor Analysis of Proactivity Construct

Table 6.18 Component Matrix, KMO and Bartlett,s Test of Proactivity Construct

KMO and Bartlett's Test										
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.										.785
Bartlett's Test of Sphericity		Approx. Chi-Square								766.536
		Df								6
		Sig.								.000

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.747	68.683	68.683	2.747	68.683	68.683	1.740	43.512	43.512
2	.584	14.612	83.294	.584	14.612	83.294	1.591	39.783	83.294
3	.356	8.893	92.188						
4	.312	7.812	100.000						

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component	
	1	2
Pro24	.789	.521
Pro25	.859	.210
Pro26	.853	-.276
Pro27	.812	-.439

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

From the table, the approximate Chi-square statistics is 766.536 with 6 degree of freedom, which is significant at the 0.05 level. A large value of test statistic favors the rejection of the null

hypothesis. The value of the KMO statistics .785 is also large (>0.5). Therefore, factor analysis is appropriate technique for analyzing correlation matrix. Here 83.29% of the variance can be explained by two factors or component. All variables are highly related to component 1. Pro25 is the highest loadings. Although, all other variables are highest loadings. Therefore entrepreneurs propose new ways of doing things through social business, opportunities through social business.

6.4.6 Factor Analysis of Education Construct

Table 6.19 Component Matrix, KMO and Bartlett,s Test of Education Construct

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.670
Bartlett's Test of Sphericity	Approx. Chi-Square	358.854
	Df	6
	Sig.	.000

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.139	53.483	53.483	2.139	53.483	53.483	1.525	38.133	38.133
2	.868	21.711	75.194	.868	21.711	75.194	1.482	37.061	75.194
3	.573	14.324	89.518						
4	.419	10.482	100.000						

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component	
	1	2
Edu28	.814	-.270
Edu29	.683	-.620
Edu30	.699	.456
Edu31	.722	.451

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

From the table, the approximate Chi-square statistics is 358.854 with 6 degree of freedom, which is significant at the 0.05 level. A large value of test statistic favors the rejection of the null

hypothesis. The value of the KMO statistics .670 is also large (>0.5). Therefore, factor analysis is appropriate technique for analyzing correlation matrix. Here 75.19% of the variance can be explained by two factors or component. All variables are highly related to component 1. Edu28 is the highest loadings. Although all other variables are highest loadings. Therefore entrepreneurs consider that for a successful social business entrepreneurs knowledge regarding social problems is needed.

6.4.7 Factor Analysis of Expectation Construct

Table 6.20 Component Matrix, KMO and Bartlett,s Test of Expectation Construct

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.740
Bartlett's Test of Sphericity	Approx. Chi-Square	516.679
	Df	10
	Sig.	.000

Component Matrix^a

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
	1	2.497	49.938	49.938	2.497	49.938	49.938	1.957	39.136
2	.915	18.305	68.243	.915	18.305	68.243	1.455	29.107	68.243
3	.667	13.337	81.580						
4	.543	10.865	92.445						
5	.378	7.555	100.000						

Extraction Method: Principal Component Analysis.

	Component	
	1	2
Expec32	.746	-.333
Expec33	.806	-.310
Expec34	.672	-.294
Expec35	.696	.432
Expec36	.597	.660

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

From the table, the approximate Chi-square statistics is 516.679 with 10 degree of freedom, which is significant at the 0.05 level. The value of the KMO statistics .740 is also large (>0.5). Therefore, factor analysis is appropriate technique for analyzing correlation matrix. Here 68.24% of the variance can be explained by two factors or component. Here Expec33 is highly correlated to factor. It means entrepreneurs want a society without poverty.

6.4.8 Factor Analysis of Cultural Construct

Table 6.21 Component Matrix, KMO and Bartlett,s Test of Cultural Construct

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.838
Bartlett's Test of Sphericity	Approx. Chi-Square
	954.672
	Df
	10
	Sig.
	.000

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.172	63.431	63.431	3.172	63.431	63.431	2.321	46.412	46.412
2	.691	13.820	77.250	.691	13.820	77.250	1.542	30.839	77.250
3	.447	8.940	86.191						
4	.349	6.971	93.161						
5	.342	6.839	100.000						

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component	
	1	2
Cul37	.816	-.218
Cul38	.828	-.265
Cul39	.785	-.321
Cul40	.839	.228
Cul41	.707	.647

Extraction Method: Principal

Component Analysis.

a. 2 components extracted.

From the table, the approximate Chi-square statistics is 954.672 with 10 degree of freedom, which is significant at the 0.05 level. A large value of test statistic favors the rejection of the null hypothesis. The value of the KMO statistics .838 is also large (>0.5). Therefore, factor analysis is

appropriate technique for analyzing correlation matrix. Here 77.25% of the variance can be explained by two factors or component. Here most of the highest loadings are related to component1(Cul40), it means entrepreneurs think that individualistic societies can be changed into collectivist societies through social business and also social and economic gap can be reduced from the society through social business.

6.4.9 Factor Analysis of Overall Perception

Table 6.22 Component Matrix, KMO and Bartlett,s Test of Overall Perception

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.739
Bartlett's Test of Sphericity	Approx. Chi-Square
	1053.406
	Df
	3
	Sig.
	.000

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.602	86.745	86.745	2.602	86.745	86.745	1.515	50.513	50.513
2	.258	8.593	95.338	.258	8.593	95.338	1.345	44.825	95.338
3	.140	4.662	100.000						

Extraction Method: Principal Component Analysis.

	Component	
	1	2
Ovp42	.916	.380
Ovp43	.953	-.042
Ovp44	.925	-.334

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

From the table, the approximate Chi-square statistics is 1053.406 with 3 degree of freedom, which is significant at the 0.05 level. A large value of test statistic favors the rejection of the null hypothesis. The value of the KMO statistics .739 is also large (>0.5). Therefore, factor analysis is appropriate technique for analyzing correlation matrix. Here 95.33% of the variance can be

explained by two factors or component. Here highest loading is related to factor 1,(Ovp43) it means entrepreneurs can make effort to run social business.

6.5 Structural Equation Modeling

6.5.1 Introduction

Structural equation modeling (SEM) has been used to test the proposed model and is a method suitable for samples of more than 200 respondents (Snoj et al., 2004). SEM is mostly used in social sciences, especially in testing hypotheses of causal influences (Snoj et al., 2004). SEM is a powerful alternative which takes into account the correlated independents, measurement error and multiple latent independents (Byrne, 2000). SEM usually widely use in empirical studies (Kennedy *et al.*, 2001; Lee, 2007; Sirdeshmukh *et al.*, 2002). Structural equation modeling (SEM) has been conducted using the AMOS 22 program to test the proposed relationships (Arbuckle, 2010).

The SEM analysis followed a two-stage process (Anderson and Gerbing, 1998). First, by running confirmatory factor analysis (CFA) construct validity was assessed for measurement model of each construct. Second, the structural equation model was estimated for the conceptual model. The conceptual model has evaluated in terms of measures of fit, statistical significance of coefficients and interpretation. The results of the hypothesis has made according to the summarized results. Subsequently, the mediating roles of motivation, innovation, experience, education, expectation, proactivity, risk-taking and culture were tested on entrepreneurs of social business.

6.5.2 Confirmatory Factor Analysis

The following Table depicts the results of the confirmatory factor analysis (CFA) for the measurement models of all nine constructs of Motivation (Moti), Experience(Exp), Innovation(Innov), Risk_Taking (Risk), Proactivity (Pro), Education (Edu), Expectation(Expec), Culture(Cul) and Overall perception (Ovp). For the model fit, the TLI and CFI have been evaluated; the statistical significance of the estimated coefficients, squared multiple correlation coefficient (SMCC) are significantly associated with their observed variables because all the estimation parameters of those variables are acceptable, which shows the signs are positive. The statistical significance of coefficients has evaluated in terms of the results of a hypothesis test with the null

hypothesis that the true coefficient is zero using a significance level of 5%. The SMCC has evaluated in terms of the minimum value of 0.3(Jóreskog and Sörbom, 1983).

Table 6.23: Confirmatory Factor Analysis

Constructs Measures	Coefficients ^a		Standard ^b Error	Probability ^c	SMCC ^d
	Unstandardized	Standardized			
Moti1<--- Motivation	1.000	.637	N/A	N/A	.405
Moti2<--- Motivation	.971	.500	.105	***	.250
Moti3<--- Motivation	.909	.684	.076	***	.467
Moti4<--- Motivation	.606	.497	.066	***	.247
Moti5<--- Motivation	1.056	.739	.083	***	.546
Moti6<--- Motivation	.932	.707	.076	***	.500
Exp7<--- Experience	1.000	.705		***	.498
Exp8<--- Experience	1.257	.903	.074	***	.816
Exp9<--- Experience	1.209	.870	.072	***	.758
Innov10<--- Innovation	1.000	.725	N/A	N/A	.816
Innov11<--- Innovation	.953	.693	.068	***	.498
Innov12<--- Innovation	1.082	.726	.073	***	.527
Innov13<--- Innovation	.933	.626	.073	***	.392
Innov14<--- Innovation	.785	.493	.079	***	.243
Innov15<--- Innovation	.964	.635	.075	***	.403
Innov16<--- Innovation	.962	.603	.079	***	.363
Innov17<--- Innovation	1.000	.675	.073	***	.456
Risk18<--- Risk_taking	1.000	.795	N/A	N/A	.633
Risk19<--- Risk_taking	.924	.768	.052	***	.589
Risk20<--- Risk_taking	.933	.799	.050	***	.638
Risk21<--- Risk_taking	.897	.758	.052	***	.575
Risk22<--- Risk_taking	.952	.809	.050	***	.654
Risk23<--- Risk_taking	.933	.814	.049	***	.662
Pro24<--- Proactivity	.823	.749	N/A	N/A	.518
Pro25<--- Proactivity	.935	.797	.057	***	.630
Pro26<--- Proactivity	.965	.793	.056	***	.635
Pro27<--- Proactivity	1.000	.720	.055	***	.561
Edu28<--- Education	1.000	.720	N/A	N/A	.518
Edu29<--- Education	.801	.541	.078	***	.292
Edu30<--- Education	.908	.591	.081	***	.350
Edu31<--- Education	.942	.623	.080	***	.388
Expec32<--- Expectation	1.000	.676	N/A	N/A	.457

Constructs Measures	Coefficients ^a		Standard Error ^b	Probability ^c	SMCC ^d
	Unstandardized	Standardized			
Expec33<--- Expectation	1.040	.749	.085	***	.561
Expec34<--- Expectation	.929	.563	.094	***	.317
Expec35<--- Expectation	.872	.588	.085	***	.345
Expec36<--- Expectation	.714	.496	.081	***	.246
Cul37<--- Culture	1.000	.779	N/A	N/A	.607
Cul38<--- Culture	.994	.777	.058	***	.603
Cul39<--- Culture	.934	.752	.057	***	.565
Cul40<--- Culture	1.018	.766	.061	***	.587
Cul41<--- Culture	.866	.605	.068	***	.366
Ovp42<--- overallperception	1.000	.859	N/A	N/A	.781
Ovp43<--- overallperception	1.103	.949	.039	***	.900
Ovp44<--- overallperception	1.113	.884	.044	***	.737

Source: AMOS output

Notes

- a. Estimated regression coefficients: Unstndsd = Unstandardised, Stndsd = Standardised
- b. Standard error of estimated unstandardised coefficient
- c. Probability of a t value equal to or greater than actual t value in a two-tailed test for significance of coefficient under the null hypothesis that the true value is zero. The symbol *** indicates that the null hypothesis is rejected at the .001 level of significance.
- d. SMCC = squared multiple correlation coefficient.

6.5.2.1 Motivation

From the table it shows that all measures associated with motivation construct are statistically significant. For each measure, the null hypothesis that the true value of the coefficient is zero is rejected at the .001 level of significance. All measures are the correct positive signs. With respect to the SMCC, all measures for motivation have an acceptable coefficient, being very close to or greater than 0.30. Thus, all observed variables are strongly significantly associated with motivation. From the results, an overall assessment is that the measurement model for motivation is acceptable.

6.5.2.2 Experience

From the table it shows that all measures associated with experience construct are statistically significant. For each measure, the null hypothesis that the true value of the coefficient is zero is rejected at the .001 level of significance. All measures are the correct positive signs. With respect to the SMCC, all measures for experience have an acceptable coefficient, being the value of SMCC greater than 0.30. Thus, all observed variables are strongly significantly associated experience. From the results, an overall assessment is that the measurement model for experience is acceptable.

6.5.2.3 Innovation

For the construct of innovation, all measures associated with innovation construct are statistically significant. For each measure, the null hypothesis that the true value of the coefficient is zero is rejected at the .001 level of significance. All measures are the correct positive signs. With respect to the SMCC, all measures for experience have an acceptable coefficient, being very close to or greater than 0.30. Thus, all observed variables are strongly significantly associated innovation. From the results, an overall assessment is that the measurement model for innovation is acceptable.

6.5.2.4 Risk taking

With respect to risk taking construct, all measures associated with risk taking construct are statistically significant. For each measure, the null hypothesis that the true value of the coefficient is zero is rejected at the .001 level of significance. All measures are the correct positive signs. With respect to the SMCC, all measures for risk taking have an acceptable coefficient, being the value of SMCC greater than 0.30. Thus, all observed variables are strongly significantly associated risk taking. From the results, an overall assessment is that the measurement model for risk taking is acceptable.

6.5.2.5 Proactivity

For the construct of proactivity, all measures associated with proactivity construct are statistically significant. For each measure, the null hypothesis that the true value of the coefficient is zero is

rejected at the .001 level of significance. All measures are the correct positive signs. With respect to the SMCC, all measures for proactivity have an acceptable coefficient, being very close to or greater than 0.30. Thus, all observed variables are strongly significantly associated proactivity. From the results, an overall assessment is that the measurement model for proactivity is acceptable.

6.5.2.6 Education

For the construct of education, all measures associated with education construct are statistically significant. For each measure, the null hypothesis that the true value of the coefficient is zero is rejected at the .001 level of significance. All measures are the correct positive signs. With respect to the SMCC, all measures for education have an acceptable coefficient, being very close to or greater than 0.30. Thus, all observed variables are strongly significantly associated education. From the results, an overall assessment is that the measurement model for education is acceptable.

6.5.2.7 Expectation

From the table it shows that all measures associated with expectation construct are statistically significant. For each measure, the null hypothesis that the true value of the coefficient is zero is rejected at the .001 level of significance. All measures are the correct positive signs. With respect to the SMCC, all measures for expectation have an acceptable coefficient, being very close to or greater than 0.30. Thus, all observed variables are strongly significantly associated expectation. From the results, an overall assessment is that the measurement model for expectation is acceptable.

6.5.2.8 Culture

For the construct of culture, all measures associated with culture construct are statistically significant. For each measure, the null hypothesis that the true value of the coefficient is zero is rejected at the .001 level of significance. All measures are the correct positive signs. With respect to the SMCC, all measures for culture have an acceptable coefficient, being the value of SMCC greater than 0.30. Thus, all observed variables are strongly significantly associated culture. From the results, an overall assessment is that the measurement model for culture is acceptable.

6.5.2.9 Overall Perception

All measures associated with overall perception are statistically significant. For each measure, the null hypothesis that the true value of the coefficient is zero is rejected at the .001 level of significance. All measures are the correct positive signs. With respect to the SMCC, all measures for overall perception have an acceptable coefficient, being the value of SMCC greater than 0.30. Thus, all observed variables are strongly significantly associated overall perception. From the results, an overall assessment is that the model for overall perception is acceptable.

6.5.3 Structural Equation Modeling Analysis for Conceptual Model

On the basis of literature review, the conceptual model was developed. The measures of fit for the model are summarized by TLI (.843), CFI (.856), GFI (0.779) and RMSEA (.064). Both TLI and CFI are marginally lower than the recommended minimum value of .9. However, the RMSEA lies comfortably within the maximum value of .08. The value of RMSEA represents how well the model fit the populations covariance matrix (Byrne, 1998). The RMSEA value indicates that the model is a well-fitting model. The Goodness –of-fit index (GFI) is an alternative to the Chi-square test and calculates the proportion of variance that is accounted by the estimated population covariance (Tabachnick and Fidell, 2007). This statistic ranges 0 to 1 with larger samples increasing its value. In addition, it has also been found that the GFI increases as the number of parameters increases and also has an upward bias with large samples (MacCallum and Hong, 1997). The following table shows that the GFI value lies within the range and approximately fit the conceptual model.

In the structural model indicates that the 8 estimated coefficients, 6 measures (Motivation, experience, Risk_taking, Proactivity, expectation and culture) associated with the construct are positive sign, it means that the values of these constructs go up then the overall perception of entrepreneurs will go up.

Table 2.23: Structural Equation Model for Conceptual Model

Constructs Measures	Coefficients ^a		Standard ^b Error	Probability ^c	SMCC ^d
	Unstandardized	Standardized			
Structural Model:	Goodness of Fit: TLI=.843, CFI=.856 RMSEA=.064, GFI=.779				
overallperception<--- Motivation	.088	.051	.156	.575	.562
overallperception<--- Experience	.348	.313	.053	***	
overallperception<--- Innovation	-.079	-.044	.225	.727	
overallperception<--- Risk_Taking	.148	.132	.072	.040	
overallperception<--- Proactivity	.566	.408	.152	***	
overallperception<--- Education	-.052	-.029	.211	.804	
overallperception<--- Expectation	.062	.027	.135	.648	
overallperception<--- Culture	.144	.089	.143	.313	
Moti1<---Motivation	1.00	.637	N/A	N/A	.405
Moti2<---Motivation	.971	.500	.105	***	.250
Moti3<---Motivation	.909	.684	.076	***	.467
Moti4<---Motivation	.606	.497	<u>.066</u>	***	.247
Moti5<---Motivation	1.056	.739	.083	***	.546
Moti6<---Motivation	.932	.707	.076	***	.500
Exp7<--- Experience	1.00	.705	N/A	N/A	.498
Exp8<--- Experience	<u>1.257</u>	<u>.903</u>	.074	***	.816
Exp9<--- Experience	1.209	.870	.072	***	.758
Innov10<--- Innovation	1.000	.725	N/A	N/A	.525
Innov11<--- Innovation	.953	.693	.068	***	.481
Innov12<--- Innovation	1.082	.726	.073	***	.527
Innov13<--- Innovation	.933	.626	.073	***	.392
Innov14<--- Innovation	.785	.493	.079	***	.243
Innov15<--- Innovation	.964	.635	.075	***	.403
Innov16<--- Innovation	.962	.603	.079	***	.363
Innov17<--- Innovation	1.000	.675	.073	***	.456
Risk18<--- Risk_taking	1.000	.795	N/A	N/A	.633
Risk19<--- Risk_taking	.924	.768	.052	***	.589

Constructs Measures	Coefficients ^a		Standard Error ^b	Probability ^c	SMCC ^d
	Unstandardized	Standardized			
Risk20<--- Risk_taking	.933	.799	.050	***	.638
Risk21<--- Risk_taking	.897	.758	.052	***	.575
Risk22<--- Risk_taking	.952	.809	.050	***	.654
Risk23<--- Risk_taking	.933	.814	.049	***	.662
Pro24<--- Proactivity	.823	.749	N/A	N/A	.518
Pro25<--- Proactivity	.935	.797	.057	***	.630
Pro26<--- Proactivity	.965	.793	.056	***	.635
Pro27<--- Proactivity	1.000	.720	.055	***	.561
Edu28<--- Education	1.000	.720	N/A	N/A	.518
Edu29<--- Education	.801	.541	.078	***	.292
Edu30<--- Education	.908	.591	.081	***	.350
Edu31<--- Education	.942	.623	.080	***	.388
Expec32<--- Expectation	1.000	.676	N/A	N/A	.457
Expec33<--- Expectation	1.040	.749	.085	***	.561
Expec34<--- Expectation	.929	.563	.094	***	.317
Expec35<--- Expectation	.872	.588	.085	***	.345
Expec36<--- Expectation	.714	.496	.081	***	.246
Cul37<--- Culture	1.000	.779	N/A	N/A	.607
Cul38<--- Culture	.994	.777	.058	***	.603
Cul39<--- Culture	.934	.752	.057	***	.565
Cul40<--- Culture	1.018	.766	.061	***	.587
Cul41<--- Culture	.866	.605	.068	***	.366
Ovp42<--- overallperception	1.000	.859	N/A	N/A	.781
Ovp43<--- overallperception	1.103	.949	.039	***	.900
Ovp44<--- overallperception	1.113	.884	.044	***	.737

Source: AMOS output

Notes

- a. Estimated regression coefficients: Unstndsd = Unstandardised, Stndsd = Standardised
- b. Standard error of estimated unstandardised coefficient

- c. Probability of a t value equal to or greater than actual t value in a two-tailed test for significance of coefficient under the null hypothesis that the true value is zero. The symbol *** indicates that the null hypothesis is rejected at the .001 level of significance.
- d. SMCC = squared multiple correlation coefficient.

Inspection of the coefficients for Innovation (-.079) and Education (-.052) reveal that the signs are negative whereas on the basis of prior knowledge from the theory and the existing literature, they are expected to be positive.

The null hypothesis that the true value of the coefficient is zero is rejected at the .001 level of significance identified by *** for experience and proactivity constructs. Furthermore, the estimated coefficient for Risk_taking constructs (.040) is significant at the 5% level of significance. In the case of the paths Motivation→overallperception (p= .575), Innovation→overallperception(p=.727),Education→overallperception(p=.804),Expectation→overallperception (p=.648)and Culture→overallperception(p=.313) the null hypothesis is at the 5% level of significance. Therefore, the modified model is needed for better fit of the conceptual model.

6.5.4 Goodness of fit Modified Conceptual Model

Goodness of fit indicates how well the specified model reproduces the observed covariance matrix among the indicator items. A number of alternative goodness of fit measures are available to the researcher. Each goodness of fit is unique but the measures are classified into three general groups: absolute measures, incremental measures and parsimony fit measures. For all goodness of fit measures ,statistics are presented in a continuum, with the independence model (a model in which all the correlations among the variables are zero) as the most restricted model and the saturated model as the least restricted one.

The hypothesized model lies in between. Once the specified model is estimated, model fit compares the theory to reality by assessing the similarity of the estimated covariance matrix to the observed covariance matrix. The observed and the estimated covariance matrices would be the same if the theory is perfect. The following is a description of the goodness of fit indicators used to measure model fitness in Structural Equation Modeling (SEM).

The SEM output for the modified conceptual model summarized by the GFI (.824), CFI(.901), RSMEA(.054) and TLI(.890). Compared with the results of the conceptual results (TLI=.843, CFI=.856 RMSEA=.064, GFI=.779).

The goodness –of- fit index (GFI) is analogous to a squared multiple correlation (R^2) except that the GFI is a kind of matrix proportion of explained variance. Thus, GFI=1 indicates perfect model fit, GFI \geq .90 may indicate good fit and values close to zero indicate very poor fit. The value of the GFI in this study is .824 which is close to .90. Therefore, it can be conclude that the model is good fit.

The Comparative Fit Index (CFI) is an incremental fit index and its value ranges zero to one, with higher values indicating better fit. CFI values above 0.90 are usually associated with a model that fits well. The value of CFI of this study is .901, it indicates that the modified conceptual model is better fit.

The Tucker Lewis Index (TLI) is actually a comparison of the Normed chi-square values for the null and specified model, which to some degree takes into account model complexity. Models with good fit have values that approach one and a model with a higher value suggests a better fit than model with a lower value. The TLI value of this study is .890, indicates that the modified conceptual model is fit well.

The Root Mean Square Error of Approximation (RMSEA) is one of the most widely used measures that attempts to correct for the tendency of the chi-square. It better represents how well a model fits a population, not just the sample used for estimation. Lower RMSEA values indicate better fit. The RMSEA of this study is .054 which represents that the model is better fit.

6.5.4 Analysis of Open-ended question

Only one open-ended question was asked to understand the perception of entrepreneurs about social business in this study (Are there any other comments you wish to make that are not included in the questionnaire?) but most of the entrepreneurs did not answer of this question. A few of the entrepreneurs gave the answers of this question. On the basis of the answer of this question a brief description is given below.

Mr. Sabur Khan, Chairman of Daffodil group, former President, Dhaka Chamber of Commerce and Industry (DCCI), his statement regarding social business is given below

“The approach of doing business in a more humanitarian way, the concept of social business can have significant impact on the society. Doing business for the good-self of the people is not new,

what new in social business approach is the inclusion of selfless motive in the economic theory. Therefore social business has become a business for happiness and satisfaction. In Bangladesh, few organizations have so far been engaged in social business.

Some "Nobin Uddokta" of Grameen family has come out as entrepreneurs with the help of Grameen Telecom Trust. Some other established entrepreneurs may have intention of starting social business ventures beside their existing business. So far most of the social business are been pioneered by Grameen Group. It's a county of huge problems and potential.

Therefore, our country could be a fertile area of cultivating social business. In reality most of the people as well as entrepreneurs in Bangladesh still do not have a clear understanding about social business. The whole business stands on its 7 principles. Actually 7 principles create the difference between traditional business and social Business.

Some of the multinational companies have been running social business beside their profit making ventures. Some are doing it as an alternative approach of CSR activities. Most of the multinational giants that are engaged in social business are doing in partnership with Grameen companies.

On the other hand if we look at the international world, this business approach has been gaining continuous popularity. Many scholars and business leaders of the world have been interested in social business ideas. Specially in terms of creating entrepreneurs rather than job seeking has gained momentum. Moreover, it aims to eradicate many problems of the world including SDGs. Many universities of the world have opened social business center and chairs. In that context, a study on the perception of the entrepreneurs towards social business in Bangladesh will create value".

According to Mrs Musumi Islam, President of Association of Grassroots Women Entrepreneurs Bangladesh "Social business is a good initiative, I am also doing similar type of business that helps to women empower".

According to another entrepreneur (Name: Md Abu Sufian), " Social business, everything is okay, but in the context of Bangladesh people are not aware. If they are made aware then it (social business) will be a great initiative"

Rupam Saha, an entrepreneur he said “ I think social business will create some questions, in social business entrepreneur will get only invested amount, this is the negative factor of social business”

Another profit seeking entrepreneur said” I do not invest total profit amount to solve human problems, I want to spend a portion of profit to solve social problem”

According to another profit seeking entrepreneur “Social business plays an important role to fight with the poverty but as far I believe this poor people will not transform to middle class from lower class, only entrepreneur will be benefited”

One respondent said “I appreciate social business over traditional business”

According to another respondent “Starting new business like social business in Bangladesh is very challenging and environment is not suitable for new entrepreneurs, rules and regulations are not suitable for social business”.

From the above statements of entrepreneurs it concludes that entrepreneurs are different in their opinions regarding social business. Some entrepreneurs believe that social business is a good initiative to solve social problems but other entrepreneurs believe that social business is challenging over profit seeking business

6.5.5 Chapter Summary

This chapter briefly describes the analysis and findings of this study. Descriptive statistics, Factor analysis and SEM have been used to analyze data. Descriptive statistics have been used to describe the demographic characteristics of the respondents and mean scores of different constructs of measuring perception of entrepreneurs. Factor analysis and SEM have been used to test the hypothesis and fitness of measurement and structural model. This chapter actually represents what perceptions hold the entrepreneurs regarding social business. Most of the entrepreneurs somewhat agree with some principles and objectives of social business. But they do not to be a professional social business entrepreneur. Not only that they are not happy with the return of invested amount only over a period of time.

7.1 Introduction

In this chapter, discussion and conclusion have been made on the basis of data analysis results. There are five parts of this section, it includes summary of the study, implications, limitations, suggestions for further research and conclusions.

7.2 Summary of the Study

The study aimed to analyze the perception of entrepreneurs towards social business in Bangladesh. The targeted entrepreneurs were classified as profit seeking entrepreneurs located at Dhaka and Chittagong City. A very few number of entrepreneurs who are doing social business was also targeted. Out of the 448 respondents, 82.5% were male and 18.5% were female. This result represents the real scenario of Bangladesh i.e the number of male entrepreneurs is greater than the number of female entrepreneurs in Bangladesh. Most of the entrepreneurs are aged between 18 to 55 years. The highest number of entrepreneurs is in between 26 to 35 years.

With respect to the level of educational qualification, about 42.9% entrepreneurs were graduate, 19.4% were post graduate, 21.4% were higher secondary level and the remaining were secondary level.

Most of the entrepreneurs were profit seeking entrepreneurs (about 76%), 3.6% entrepreneurs were non-profit entrepreneurs and a very few number of entrepreneurs were social business in their occupation including Grameen Bank. 20.5% entrepreneurs were interested in doing social business with profit-seeking business. The mean scores for Motivation factor reveal that entrepreneurs want to start a business which is financially sustainable and environmentally conscious. Entrepreneurs are somewhat agree to start a business which is dedicated entirely to solve human problems. Entrepreneurs want to solve human problems but they do not want be happy to start a business that offers the invested amount only over a period of time.

From the measure of experience factor, it is clear that entrepreneurs do not have prior experience of doing social business and expertise in setting up a social business. Entrepreneurs are neither agree nor disagree on basic understanding of social business.

Entrepreneurs somewhat agree that social business provides innovative solutions to social problems and social business provides innovative solutions to social problems. Entrepreneurs also believe that social business is a productive source of new business ideas. The result of the

study describes that entrepreneurs are neither agree or disagree to take risk and challenges of implementing social business.

The mean score values of proactivity factor indicate that entrepreneurs are somewhat agree to transform a job-seekers to a job-givers, seek opportunities through social business and carry on social business until a significant change of unemployment.

The mean score values of education factor indicates that for a successful social business entrepreneur knowledge regarding social business is needed. Entrepreneurs also somewhat agree that social business model is an iterative learning process involving time, effort and trial and error.

Entrepreneurs want to get a society without poverty, get a state without charity and want to resolve unemployment by creating entrepreneurship. Entrepreneur's expectation is consistent with the objective of social business.

Entrepreneurs are somewhat agree on the cultural factor of social business. Entrepreneurs think that social business can manage uncertainty from the society by removing frustration of young people. Entrepreneurs also consider that social business is a mean to reduce the large economic gap between those who have power and those do not have power from the society.

Entrepreneurs also believe that individualistic societies can be changed into collectivist societies through social business.

Although entrepreneurs are somewhat agree with the principles of social business but they are not ready to start social business and to be a social business entrepreneur.

Structural equation modeling (SEM) has been conducted to test the proposed relationships.

For the model fit, the statistical significance of the estimated coefficients, TLI, CFI and squared multiple correlation coefficient (SMCC) are significantly associated with their observed variables because all the estimation parameters of those variables are acceptable, which shows the signs are positive. The statistical significance of coefficients has evaluated in terms of the results of a hypothesis test with the null hypothesis that the true coefficient is zero using a significance level of 5%.

For each measure, the null hypothesis that the true value of the coefficient is zero is rejected at the .001 level of significance. All measures are the correct positive signs. With respect to the SMCC, all measures for motivation, experience, innovation, Risk_taking, proactivity, education, expectation, culture and overall perception have an acceptable coefficient, being very close to or

greater than 0.30. Thus, all observed variables are strongly significantly associated with motivation, experience, innovation, Risk_taking, proactivity, education, expectation, culture and overall perception. From the results, an overall assessment is that the measurement model for all constructs is acceptable.

In the structural model indicates that the 8 estimated coefficients, 6 measures (Motivation, experience, Risk_taking, Proactivity, expectation and culture) associated with the construct are positive sign, it means that the values of these constructs go up then the overall perception of entrepreneurs will go up.

For the structural model, the coefficients of six measures (Motivation, experience, Risk_taking, Proactivity, expectation and culture) out of eight measures are positive; it means that if the values of these constructs increase then the overall perception of entrepreneurs will increase. On the other hand, the coefficients of innovation and education are negative whereas on the basis of prior knowledge from the theory and existing literature they are expected to be positive.

For experience and proactivity constructs the null hypotheses are rejected at the .001 level of significance. Furthermore, for Risk taking construct the null hypothesis is also rejected at the 5% level of significance. In case of motivation, innovation, education, culture and expectation constructs the null hypotheses are significant at the 5% level of significance.

7.3 Limitation of the Study

There are some limitations that can be mentioned in this study when interpreting its findings. First, the sample of respondents in this study cannot be considered representative of the general population although the sample size was sufficient; it may a regional limitation that limits the generalisability of the result because samples were taken from Dhaka and Chittagong city. Although the members of FBCCI were targeted as respondents but a few number of high profile member was reached due to their busy schedule.

Second, most of the profits seeking entrepreneurs do not have clear understanding of Yunu's social business; it was difficult to collect data from them.

Third, the entrepreneurs were not in comfortable mode to provide information regarding social business. There was only one open-ended question in the questionnaire but most of the respondents did not answer of this question.

Finally, the values of TLI and CFI are slightly low; modified structural model has been used for improving the values of TLI and CFI.

7.4 Suggestions for Further Research

Several recommendations for further research regarding perception of entrepreneurs towards social business resulted from this study.

The results of this study are quantitative analysis; further qualitative researches could be done in order to analyze the perception of entrepreneurs towards social business.

Further studies could be done considering more sample size that covers large geographical region of Bangladesh that may limit the generalisability of the result. More studies could be done to analyze the perception of entrepreneurs who are doing social business that may be a vital data source of social business. Further studies can be done how to implement successful social business in the rural area to solve human problems.

7.5 Conclusions

The results of this study reveal the perception of entrepreneurs in Bangladesh towards social business. Although most of the entrepreneurs of Bangladesh are profit-seeking entrepreneurs, they are somewhat agree with the principles of social business i.e they want to start a business that is environmentally conscious, financially sustainable and dedicated to solve human problems.

Their expectation is also consistent with the objectives of social business. For example, they want to get a society without poverty, they want to get a state without charity and they also want to resolve unemployment by creating entrepreneurship but they are somewhat disagree on receiving invested amount over a period of time.

Entrepreneurs are neither agree nor disagree to take risk and challenges of implementing social business. Entrepreneurs also believe that social business is a mean to reduce social and large economic gap between those who have power and those who have not power from the society. Entrepreneurs are neither agree nor disagree to start a social business and to be a social business entrepreneur.

The results of this study describe that the overall perception of entrepreneurs changes with the changes of motivation, experience, Risk_taking, proactivity, expectation and cultural factors.

Social business and similar hybrid models are still an emerging concept in Bangladesh. Entrepreneurial non-profits with income-generating activities, Social business (Grameen, Type1 and Type2) and socially responsible businesses, these three types of social entrepreneurship and social business are currently operating in Bangladesh.

As a leader of social business movement, Professor Muhammad Yunus, has pioneered more than 40 social businesses in Bangladesh alone over the past 30 years. Today, the UN, the EU, development agencies, NGOs, multinational corporations and academic institutions broadly acknowledge the concept of social business. In many countries, social business is an important tool for economic and social development. Yunus's social business has financed 34 social businesses globally in 2015.

By solving social problems and creating employment opportunities, social business promotes economic development of a country. But there are some challenges of implementing social business in Bangladesh. Lack of social business skills, risks of managing social business, inadequate data of social business, lack of designing successful social business model, profit seeking mindset of entrepreneurs and inadequate marketing programs of social business are the most challenges of implementing social business in Bangladesh.

In spite of the challenges of social business, the prospect of social business in Bangladesh is bright. Bangladesh is full of raw materials of various types of social businesses; Bangladesh has experience of implementing microcredit programs, and has a supply of low cost human resources. Awareness creation regarding social business, promotional programs of social business, training program of social business, support services and changing mindset programs of entrepreneurs towards social business can make the social business development effective as well as efficient.

7.6 Chapter Summary

This chapter illustrates the summary of the findings of this study. This chapter also focuses on the suggestions for further research and limitations of this study. It also describes the obstacles of implementing social business in Bangladesh. This chapter also gives a guide line how to implement social business in Bangladesh.

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APPENDIX I

Dear Respondent,

You are invited to participate in a research study titled “Perception of Entrepreneurs in Bangladesh Towards Social Business: An Empirical Investigation”. My name is Md. Moktar Ali, Associate professor in the Marketing Department at Dhaka University and currently I am pursuing PhD at Dhaka University under the supervision of Professor Dr. Haripada Bhattacharjee. The purpose of this study is to understand the perception of entrepreneurs about social business in Bangladesh. Through your participation, I eventually hope to understand your perception about social business.

Enclosed with this letter is a brief questionnaire that asks a variety of questions about your perception toward social business. I hope you will take a few minutes to complete this questionnaire. Your participation is voluntary and there are no risks associated with participating in this study. I assure you that all of your information will be kept confidential and used only for the research purpose. If you have any questions regarding this study, please feel free to contact with me in the following address. Thank you for taking the time to assist me in my educational endeavors. Your participation is appreciated.

Sincerely,

(Md. Moktar Ali)

Associate Professor

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PART-1

Please indicate your agreement to the following statements (1-6) (**Motivation** factors of social business). **7-Point Likert-Scale** where **1=Strongly disagree, 2=Disagree, 3=Somewhat Disagree, 4=Neither Agree nor Disagree 5= Somewhat Agree, 6=Agree and 7= Strongly Agree**

	1	2	3	4	5	6	7
1. I want to start a business which is dedicated entirely to solve human problems.							
2. I would be happy to start a business that only offers me the invested amount over a period of time							
3. I want to start a business that will be environmentally conscious.							
4. I want to make my business financially sustainable							
5. I want to motivate my workers through social business							
6. I want to get inner pleasure by helping to solve social problems							

PART-2

Please indicate your agreement to the following statements (7-9) (**Experience** factors of social business).

	1	2	3	4	5	6	7
7. I have a basic understanding of social business							
8. I have prior experience of doing social business							
9. I have expertise in starting up a social business							

PART-3

Please indicate your agreement to the following statements (10-17) (**Innovation** factors of social business).

	1	2	3	4	5	6	7
10. Social business provides innovative solutions to social problems							
11. Social business provides new opportunities for learning.							
12. Social business provides new opportunities for innovation.							
13. Brands created through social business have positive brand image.							

14. Social business transforms the traditional business mindset.							
15. The transformed mindset through social business increases business efficiency							
16. Social business model is an effective mean to fight poverty							
17. Social business model is a productive source of new business ideas							

PART-4

Please indicate your agreement to the following statements (18-22) (**Risk taking** factors of social business)

	1	2	3	4	5	6	7
18. I am willing to take financial risk to implement social business.							
19. I am willing to take psychological risk to implement social business.							
20. I am willing to take social risk to implement social business.							
21. I am willing to take the biggest challenge of social business (i.e. sell products at affordable price to the poorest of the poor)							
22. I am willing to take the inherent risks of social business (i.e. lack of any return or capital gain for the owners)							
23. I am willing to take the challenges of social business movement (e.g. customer and employee care and protection, financial performance and benefit, ownership, social performance, environmental impact)							

PART-5

Please indicate your agreement to the following statements (24-27) **Proactivity** factors of social business.

	1	2	3	4	5	6	7
24. I want to transform a job-seeker into a job-giver through social business initiative							
25. I propose new ways of doing things through social business							

26. I seek opportunities through social business.							
27. I carry on social business until a significant change of unemployment.							

PART-6

Please indicate your agreement to the following statements (28-31) (**Education** factors of social business)

	1	2	3	4	5	6	7
28. For a successful social business entrepreneur, knowledge regarding social problems is needed.							
29. Lack of education may limit people's understanding of the value of social business							
30. Social businesses must go beyond traditional marketing strategies							
31. Social business model is an iterative learning process involving time, effort, trial and error							

PART-7

Please indicate your agreement to the following statements (32-36) (**Expectation** factors of social business)

	1	2	3	4	5	6	7
32. I want to see that nobody needs to remain unemployed.							
33. I want to get a society without poverty.							
34. I want to get a state without charity.							
35. I want to pay my employee according to competitive market wages.							
36. I want to resolve unemployment by creating entrepreneurship.							

PART-8

Please indicate your agreement to the following statements (37-41) (**Cultural** factors of social business)

	1	2	3	4	5	6	7
37. Social business is a mean to reduce the large social							

gap between those who have power and those who do not power from the society.							
38. Social business is a mean to reduce the large economic gap between those who have power and those who do not power from the society.							
39. Social business can manage uncertainty from the society by removing frustration of young people.							
40. Individualistic societies can be changed into collectivist societies through social business.							
41. Social businesses are gender insensitive regarding paying wages.							

PART-9

Please indicate your agreement to the following statements (42-44) (**Overall perception factors of Entrepreneurs**)

	1	2	3	4	5	6	7
42. I prefer to start social business							
43. I will make every effort to run my social business							
44. My professional goal is to be a social business entrepreneur.							

Are there any other comments you wish to make that are not included in the questionnaire?

Please state below:

PART-10

Q. 38-41 PERSONAL DEMOGRAPHICS OF THE RESPONDENTS

45. Gender:- a) Male 2) Female

46. Age in years:-a) 18-25 b) 26-35 c) 36-45 d) 46-55 e) 56-65

47. Educational Qualification:- a) Below S.S.C b) S.S.C c) H.S.C d) Graduate Post Graduate

48. Occupation:- a) Profit Seeking business b) Social Business

c) Non-profit business

APPENDIX II

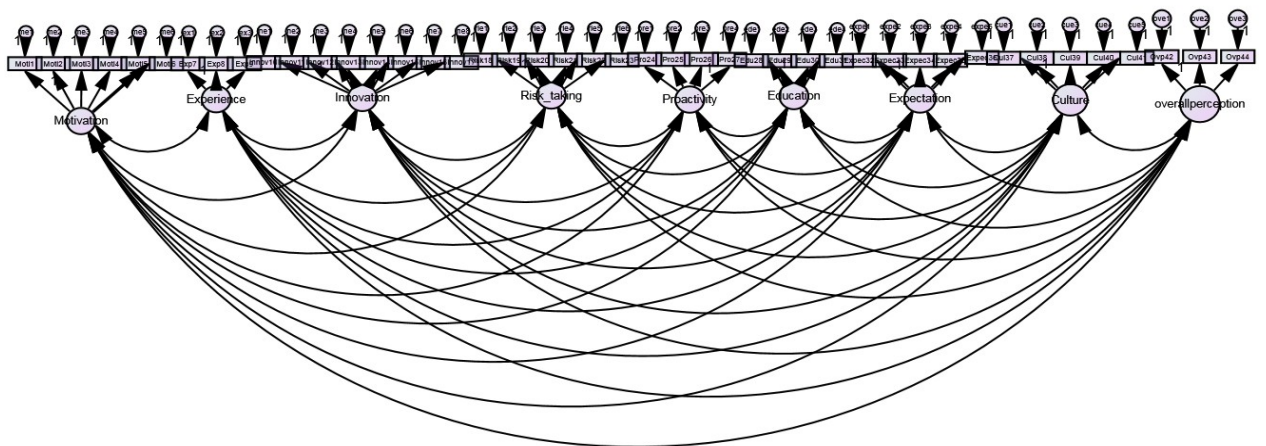


Figure Appendix II.1: Measurement Model for Perception of Entrepreneurs

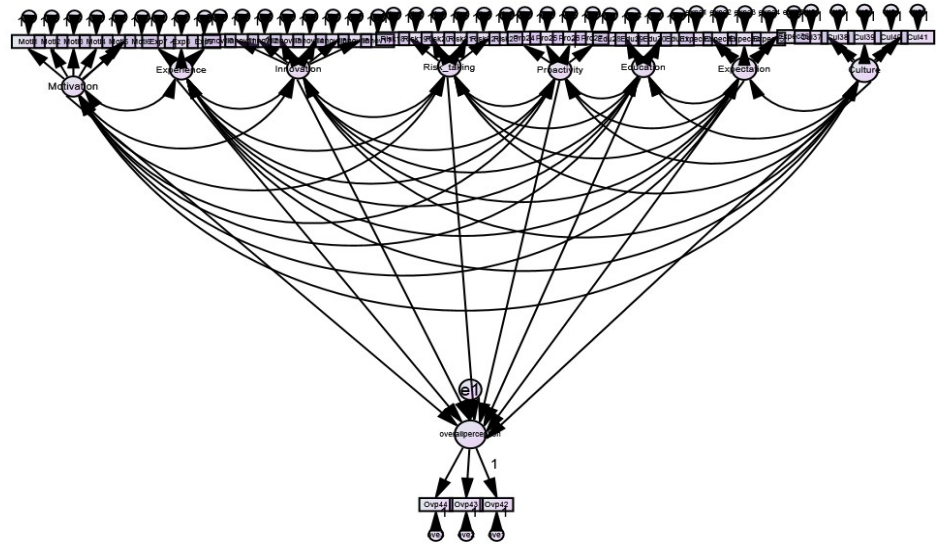


Figure Appendix II.2: Structural Model for Perception of Entrepreneurs

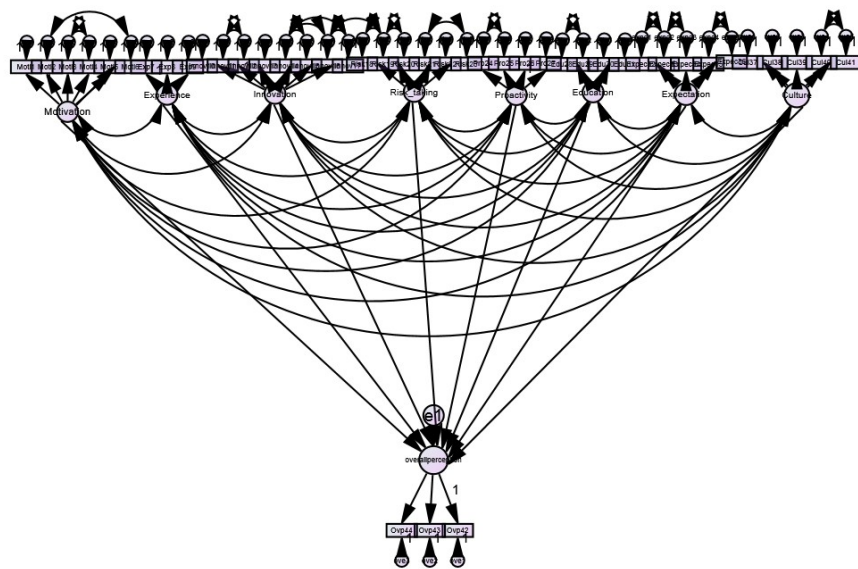


Figure Appendix II.3: Modified Structural Model for Perception of Entrepreneurs

APPENDIX III

Model Fit Summary (Conceptual Structural Model)

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	124	2467.526	866	.000	2.849
Saturated model	990	.000	0		
Independence model	44	12080.803	946	.000	12.770

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.140	.779	.747	.681
Saturated model	.000	1.000		
Independence model	.747	.166	.127	.158

Baseline Comparisons

Model	NFI	RFI	IFI	TLI	CFI
	Delta1	rho1	Delta2	rho2	
Default model	.796	.777	.857	.843	.856
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	.915	.728	.784
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

NCP

Model	NCP	LO 90	HI 90
Default model	1601.526	1456.891	1753.748
Saturated model	.000	.000	.000
Independence model	11134.803	10783.605	11492.452

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	5.520	3.583	3.259	3.923
Saturated model	.000	.000	.000	.000
Independence model	27.026	24.910	24.124	25.710

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.064	.061	.067	.000
Independence model	.162	.160	.165	.000

AIC

Model	AIC	BCC	BIC	CAIC
Default model	2715.526	2743.287	3224.520	3348.520
Saturated model	1980.000	2201.642	6043.745	7033.745
Independence model	12168.803	12178.653	12349.414	12393.414

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	6.075	5.751	6.416	6.137
Saturated model	4.430	4.430	4.430	4.925
Independence model	27.223	26.438	28.023	27.245

HOELTER

Model	HOELTER	HOELTER
	.05	.01
Default model	170	175
Independence model	38	39

Model Fit Summary (Modified Structural Model)**CMIN**

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	141	1951.844	849	.000	2.299
Saturated model	990	.000	0		
Independence model	44	12080.803	946	.000	12.770

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.124	.824	.795	.707
Saturated model	.000	1.000		
Independence model	.747	.166	.127	.158

Baseline Comparisons

Model	NFI	RFI	IFI	TLI	CFI
	Delta1	rho1	Delta2	rho2	
Default model	.838	.820	.902	.890	.901
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	.897	.752	.809
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

NCP

Model	NCP	LO 90	HI 90
Default model	1102.844	978.084	1235.287
Saturated model	.000	.000	.000
Independence model	11134.803	10783.605	11492.452

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	4.367	2.467	2.188	2.764
Saturated model	.000	.000	.000	.000
Independence model	27.026	24.910	24.124	25.710

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.054	.051	.057	.021
Independence model	.162	.160	.165	.000

AIC

Model	AIC	BCC	BIC	CAIC
Default model	2233.844	2265.411	2812.620	2953.620
Saturated model	1980.000	2201.642	6043.745	7033.745
Independence model	12168.803	12178.653	12349.414	12393.414

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	4.997	4.718	5.294	5.068
Saturated model	4.430	4.430	4.430	4.925
Independence model	27.223	26.438	28.023	27.245

HOELTER

Model	HOELTER .05	HOELTER .01
Default model	211	218
Independence model	38	39