

# **Title: Resource Mobilization in Social Enterprises: An Exploratory Research**

**Pradeep Kumar Hota**

## **ABSTRACT**

Social enterprises (SEs) primarily aim to create social value i.e. generate benefits or reduce costs for society, while maintaining financial sustainability. They typically step in when both the government and private sector fail to address social problems, a market failure condition. In order to address such problems, SEs need to mobilize the required resources. However, such a market failure situation may lead to an acute shortage of resources, posing serious challenges for the operation of SEs. Further, SE in emerging economies faces even greater challenges for resource mobilization owing to the large-scale demand for social entrepreneurship activities, when facing scarcity of institutional financing and growing suspicion about the activities of social organizations.

A comprehensive review of the literature suggests that the majority of work in resource mobilization has been conducted in commercial enterprise (henceforth CEs) setups. SEs are different from CEs in terms of primary focus, type of organization, stakeholders, and opportunity recognition. These differences create unique challenges for resource mobilization in SEs. Hence, existing theories for CEs may not fully capture the uniqueness and intricacies of resource mobilization in SEs. Hence, a grounded exploration of resource mobilization in SEs is necessary for progressing research further and for providing guidelines for owners and managers of SEs. In order to address this gap, in this dissertation, we study resource mobilization in SEs operating in a resource-constrained environment of an emerging economy. In particular, we ask the following research question: *How Social Enterprises mobilize resources while operating in resource-constrained environment of emerging economies?*

This dissertation set out to develop a deeper understanding of resource mobilization in social enterprises through an in-depth analysis of data collected from two social enterprises operating in India. Considering the lack of understanding of resource mobilization in social enterprises operating in emerging economies, a qualitative case study approach was deemed to be suitable for this study. A variety of Data were collected from both organizations through semi-structured interviews, observations, secondary sources, and others. Each case was separately analyzed following Gioia methodology (Gioia, Corley & Hamilton, 2013) to arrive at corresponding empirically grounded models. The grounded models developed from both the cases unpack how resource challenges arise for SEs and how the organizations mobilize resources internally and externally to address the resource challenges.

The primary contribution of the current study is a model of resource mobilization in social enterprises. This model shows how resource challenges arise and how SEs can overcome that through internal and external resource mobilization to finally achieve their dual mission. Further, by identifying different ways in which SEs mobilizes resources internally and externally, this thesis shed light into an important yet neglected aspect of social enterprises. This dissertation further explores the role of emerging market context as both inhibitor and facilitator for social entrepreneurial activities. Moreover, by discussing different aspects of internal and external resource mobilization comprehensively, this work can help social

enterprise owner and managers in planning for resources besides providing a guideline for organizations facing legitimacy problem about how to overcome that. This dissertation also has important policy implications in terms of highlighting the role of the government in the development of SEs.

## Reference

Gioia, D.A., Corley, K.G., & Hamilton, A.L. 2013. Seeking qualitative rigor in inductive research: Notes on the Gioia methodology. *Organizational Research Methods*, 16(1):15-31.