

Entrepreneurs Creating Entrepreneurs: *Shopkeeper* Supporting the Forming of Micro Businesses

Tone Vold¹, Souad Slyman², Svein Bergum¹ and Linda Kiøning¹

¹Inland Norway University of Applied Sciences, Norway

²Roehampton University, London, UK

Tone.vold@inn.no

Souad.slyman@roehampton.ac.uk

Svein.Bergum@inn.no

Linda.kionig@inn.no

Abstract: Making clothes and developing your own brand of clothes may not be innovative although it is a sign of entrepreneurial behaviour. However, the entrepreneurship does not stop there. For some years now, a young man has been selling a clothing range, as well as collaborating with other brands, in order to help kids and youths coming from the same background as himself, i.e., surrounded by drugs and criminality. His idea is to catch the kids/youths before they start taking drugs, become addicted or commit a crime, and show them that there are other better ways to live their lives. He is working towards several new goals: One of them is to open a school where they not only learn “the ordinary curriculum”, but which also focuses on making a living for themselves and how to stand up for themselves. It is about adapting the schooling and learning to their life situation, rather than the children adapting to school. The earnings are not great (yet), but his eagerness to present the objective of the business has earned him some attention, not only among potential customers, but also with local and other authorities. His passionate and yet humble appearance appeals to customers and authorities. In addition to earning money to fund other youths, he also invests in them setting up micro businesses in order to become independent. In other words, his entrepreneurship skills have helped develop other entrepreneurs. In this paper, we will present the initial findings of our entrepreneur and his entrepreneurial achievements, characteristics and transformative style. We seek to explain the success behind such entrepreneurial activities using social entrepreneur and transformative leadership theories. We have conducted our first initial semi-structured interviews via zoom using interview guides and more research is planned for the next phase of our research.

Keywords: Social Entrepreneurship, Entrepreneurial Behaviour, Innovativeness, Social Rescue, Crime Prevention

1. Introduction

There are many entrepreneurs who have been successful and made a business out of their inventions or novel ways of doing things. Sometimes, it is about inventing new products or services, while other times it is about how you organize the production or your business. According to Schumpeter (1934, 2021), economic innovation can be defined as developing new combinations, such as introducing a new product that is unknown, or of a different quality, introducing a new method of production possibly based on other business areas, entering a new market, the utilization of different types of material, or different ways of organizing in an organization. There are numerous definitions of innovation which are not only concerned with new combinations, but may also be about “the successful introduction of ideas, perceived as new, into a given social system” (Bradford & Kent, 1977, p. 128). Innovations may be products, but also services or processes (Kvangarsnes, Håvold & Helgesen, 2016).

Entrepreneurship is recognized by the desire of achievement, wanting to work independently, having a desire for achieving quality, being responsible and optimistic, and by having skills and intelligence (Spilling & Alsos, 2006). Spilling and Alsos (2006) also divide the entrepreneurs into three types: the entrepreneur who is about realizing their own ideas, the entrepreneur who needs work, and the entrepreneur who wants to make an impact in the (local) community.

The latter also resembles “Social Entrepreneurship”. Social entrepreneurship emerged in the 1970s as a response to addressing social issues sustainably. The term “social entrepreneur” was coined in 1972 by Joseph Banks to describe the use of managerial skills to tackle both social problems and business challenges (Banks, 1972). The practice of social entrepreneurship gained momentum in the 1980s with the establishment of organizations like Ashoka, which supported social entrepreneurs (El Ebrashi, 2013).

According to El Ebrashi (2013), social entrepreneurship “focuses on achieving a social mission, which is clear in the context and outcomes of the social component” (El Ebrashi, 2013, p. 189). Social impact is defined as assessing the consequences developed from a project or undertaking and embracing any changes the social and/or cultural way may impact their lives, and how they relate to society. Burdge and Vanclay (1996) claim that

cultural impact “involve changes in norms, values, and beliefs of individuals that guide and rationalize their cognition of themselves and their society” (Burdge & Vanclay, 1996, p. 59).

El Ebrashi (2013) cites Robinson, who provides a more specific definition of social entrepreneurship. This definition says that social entrepreneurship is: “a process that includes: the identification of a specific social problem and a specific solution (or set of solutions) to address it; the evaluation of the social impact, the business model and the sustainability of the venture; and the creation of a social mission-oriented for-profit or a business-oriented nonprofit entity that pursues the double (or triple) bottom line”(Robinson, 2006, p. 95; El Ebrashi, 2013, p. 190).

Social entrepreneurship may also be about addressing issues regarding the social distribution of public goods. It is about establishing social organizations that are concerned with innovations, addressing social growth, and executing activities that support the desired social impact (Nteere, 2021). Whilst El Ebrashi (2013) suggests that social entrepreneur addresses market failures related to externalities, public goods, and distributional equity. Unlike traditional entrepreneurs, social entrepreneurs prioritize achieving a social mission, making social value the central driving force of their work. They create social impact and change, which are measured differently from financial profit, often using methods like logic models to assess their social impact (El Ebrashi, 2013). Contrary to this, Nteere claims that “a social business seeks to profit from acts that generate social improvement and solves a broader human development purpose” (Nteere, 2021, p. 460).

The social entrepreneurial business also needs leadership, with the focus of seeking improvement and change, “transformational leadership”, as this embraces change, as well as profitability and productivity (Müller and Turner, 2007).

Transformational leadership was founded by James MacGregor Burns in 1978. It is defined as a process which “changes and transforms people”. Transformational leaders are concerned with emotions, ethics, values and long-term goals. It also involves the assessment of followers’ motives as well as satisfying their needs. Transformational leadership has become part of the “New Leadership” paradigm. It emphasises intrinsic motivation along with follower development (Northouse, 2016, p.161). According to Muller and Turner (2010), numerous organisations have become more interested in choosing transformational leaders, as they are more engrossed on meeting increased adoption of change, profitability and productivity.

According to Gartner reports (2016), about 40% of CIOs are digital transformational leaders within their organisation, simultaneously, 34% are responsible for innovation. The popularity of transformational leadership is due to its emphasis on intrinsic motivation and follower development. According to Bryman (1992), transformational leadership has become part of the “New Leadership” paradigm. This is because it gives more attention to the affective as well as charismatic elements of leadership. This indeed fits the needs of today’s work groups, who want to be empowered and motivated to succeed in times of uncertainty or doubt. Transformational leaders are seen as change agents as well as good role models. This is because they are able to create and articulate a clear vision for an organisation, whilst motivating their followers and empowering them to meet higher standards, thereby improving organisational life (Northouse, 2016).

Characteristics of transformational leader includes ‘inspirational motivation’, ‘intellectual stimulation’, ‘idealised influence’ and ‘individualised consideration’ as follows:

- **Inspirational motivation:** This describes leaders who expect a lot from their followers and uses motivation and vision as a drive to achieve their goals. A good example of a leader who met this trait would be Steve Jobs. He is well known to have pushed his workers, with many of them working 90 hour weeks. Many of the workers who were asked why they worked such long hours explained, they were passionate about the project and motivated by their leader (Folklore, 2020).
- **Intellectual stimulation:** A leader that encourages innovation and creativity as well as critical thinking and problem-solving. Intellectual stimulation involves arousing followers' thoughts and imagination, as well as stimulating their ability to identify and solve problems creatively. For example, this type of leadership is a plant manager who promotes workers’ individual efforts to develop unique ways to solve a problem that have caused slowdowns in production. (Northouse, 2016)
- **Idealised influence:** Also known as charisma influence, it is the emotional component of leadership. They are strong role models, have very high levels of morals and values and provide followers with a vision and a sense of mission (Northouse, 2016). A good example of a leader with the idealised influence would be Elon Musk as he created Tesla, not to make a profit, but rather to accelerate the advent of

electric vehicles (Hawkins, 2017). He also plans to send humans to Mars by 2024 to make humans a multi-planetary species (Space X, 2020). This is a clear example of a sense of mission.

- **Individualised consideration:** This is representative of leaders who provide a supportive climate and listen carefully to the needs of the individual. They could be thought of as coaches and advisers. An example of this type of leadership is a manager as he/she spends time treating each employee in a caring and unique way. To some employees, the leader may give strong affiliation, but to others, the leader may give specific directives with a higher degree of structure (Northouse, 2016).

According to Northouse (2021), transformational leadership is used in recruitment, promotion (encourages innovation and creativity), training (i.e. building vision) and development (developing individual workers) (Northouse, 2016). The transformational leader will develop a vision, seek to motivate the workforce and deliver the vision, present a road map and lead the change. The strengths of the transformational leadership is that it has an emphasis on followers' needs, values and morals, supports productivity, and sees leadership as a process between leaders and the workforce. It begins with making the vision that attracts potential followers, build networks, clear vision and lead the change (Changingmind, 2020, Northouse, 2016). The weaknesses are that the measurement methods may be abused and viewed as a personal trait with the leaders (Northouse, 2021). For example, the issue of the leader developing the recruitment is in opposition to ideas from empowering leadership (Amundsen & Martinsen, 2014), as theories of empowering leadership include the workforce in developing the visions and strategy for the organization. This is also one of the fundamentals of a learning organization (Filstad, 2007, 2016; Irgens, 2011; Örtenblad, 2015).

1.1 The Case Study: Climeit Brothers

Our paper is about how a young man who manages to change his destiny and life path and sets up an ordinary shop with ordinary clothes. He also builds an academy by helping out others setting up their businesses in his shop. In this paper, we will present a case study about a young man called "Mo" (short for Mohammed), who started his business in UK Camden Market selling clothes. The clothes have a special logo called "ClimeIT" and the company is called "ClimeIT Brothers". Many days a week, once you enter the shop you will meet Mo, who is happy to share his story as he wants the "the world" to know about his venture. His vision is that there is hope and there is light despite all darkness, and that it is possible to stay out of trouble.

Mo's background as a very young immigrant to London, attending a school with a system not particularly well adapted to cater to the variety of youths in the suburbs, drove him towards a different life in which crime and drugs were natural components. Being regarded as a "misfit" in the school system, gang members are able to single you out and recruit you as a member. Mo was one of the recruits who realized that this is very much not the path to take, as one by one his friends ended up in jail or even died. Based on the statistics, he is therefore one of the very few who actually made it out alive and without a jail sentence. He also realized that nobody is going to do things for you, as you have to do it yourself. Hence, it is a matter of deciding on what you want to do and he wanted to have his own business, and because of his interest in clothes, he set up his own clothes shop. He soon invited friends to join him so that they could get out of the bad environment, and they "invented" the clothes brand "ClimeIT Brothers" and developed the logo. The name came from the idea that it is important to climb out of what leads you to make bad decisions, and that you can join a different "brotherhood" where you can develop the ability to have a better and independent life, since drugs and crime make you dependent on the tiers above you in the hierarchy.

For several years, ClimeIT Brothers have had a stall in Camden Market, and sold clothes such as t-shirts, sweaters and jackets. They now also have sunglasses, socks and stickers, all as products of other entrepreneurs.

1.2 Research Questions

Our research questions are based on the literature and case study above:

How does ClimeIT Brothers fit the description of "social entrepreneurship"?

How has the leader's leadership style affected others?

In the following, we will present our method of inquiry and our results from the data collection and discuss these data. Lastly, we will conclude and present our future research.

2. Method of Inquiry

We have treated this as a case study (Yin, 2014), as we are studying a “special” case (Yin, 2009, p. 256). To collect the data, we have used semi-structured interviews (Dalen, 2011; Jacobsen, 2015), which resemble open-ended interviews as suggested by Yin (2009, p. 264).

The data is from interviews with the main respondent, conducted both in person and via zoom. The zoom meeting was recorded and transcribed, with the respondent having agreed to the recording. The coding was done manually using categories and sub-categories.

3. Results and Discussion

As demonstrated in the previous research, social entrepreneurs are not primarily concerned with the immediate outputs or service provision of their ventures. Instead, their ultimate goal is to bring about lasting and sustainable change in the lives of people, with a focus on community-wide transformation rather than individual-level outcomes. This means they prioritize achieving social impact over mere outcomes.

Furthermore, social entrepreneurs, much like their counterparts in the private sector, also place a strong emphasis on ensuring the financial sustainability and efficiency of their enterprises. For instance, in the case of Mo, his objective was not solely to improve people's quality of life in the short term. Instead, he aimed to empower individuals with the knowledge and skills needed to sustain a decent life independently, without relying on external assistance. He accomplished this by mobilizing both financial and human resources within the community to create social and environmental impact, ultimately fostering a self-reliant society.

During our interviews and through the zoom interviews, we got confirmation of Mo's social entrepreneurship. He fits the description of Banks (1972), as he uses his position to work for others to be helped out of situations of possible criminality and drug abuse. He also “focuses on achieving a social mission, which is clear in the context and outcomes of the social component” (El Ebrashi, 2013, p. 189), as he is very clear in his statements regarding aiming to convince young people to stay away from criminality and drug abuse. He is critical of the schooling system, but instead of just criticizing it, he has invited himself to schools in order to seek to convince the pupils to avoid being recruited by gangs and groups that are “basically up to no good” (Mo, from his zoom interview). He has also provided lectures in innovation and entrepreneurship for the youth in schools in order to “make them find what makes them ‘tick’, what engages them” (Mo, from his zoom interview). According to Mo, they need to be engaged in order to pursue their dreams. This engagement seeks to change their values and beliefs, which is in coherence with what Burdge and Vanclay (1996) claim about a cultural impact involving “changes in norms, values, and beliefs of individuals that guide and rationalize their cognition of themselves and their society” (Burdge & Vanclay, 1996, p. 59).

Mo has also met others who have been in difficult situations (physical abuse, drug abuse), and he helped them set up their businesses. “We asked him: What is your passion, what do you like doing? And he answered that he liked to draw, and he liked stickers. So, we asked him to draw some awesome drawings that could be made into stickers. And then we got it printed for him, and now they are for sale in the shop”. We interpreted this to be what Robinson (2006) and El Ebrashi (2013) claim as “a process that includes: the identification of a specific social problem and a specific solution (or set of solutions) to address it; the evaluation of the social impact, the business model and the sustainability of the venture; and the creation of a social mission-oriented for-profit or a business-oriented nonprofit entity that pursues the double (or triple) bottom line” (Robinson, 2006, p. 95; El Ebrashi, 2013, p. 190), as he is identifying the individual's social problem, and pointing towards a specific solution (making stickers), in addition to helping him in setting up a business model, as well as allowing him to start up his business in ClimeIT Brothers shop in Camden.

When it comes to explaining his intrinsic motivation, behaviour and the characteristics of his leadership, we see him as a transformational leader, as he does have a clear vision and seeks to motivate his workers and followers. He has the inspirational motivation (uses motivation and vision as a drive to achieve their goals), intellectual stimulation (encourages innovation and creativity as well as critical thinking and problem-solving) idealized influence (has charisma and a strong role model, has high levels of morals and values and provide followers with a vision and a sense of mission) and individualised consideration (provide a supportive climate and listen carefully to the needs of the individual) (Northouse, 2016). He also seems to have an emphasis on the needs of the “followers”, their values and morals (Northouse, 2021). However, he is also very clear about the workers' ideas and contributions to the company and their products. He is also – as the citation above also implies – very concerned about the individuals' passions and inner drives. Hence, we interpret this to also be within the

empowering leadership category of leaders (Amundsen & Martinsen, 2014). He is concerned about the future for the company, and that they are to evolve. “We need to develop and see or make the trends, not for making so much money, we are able to manage, but in order for us to help others. In helping others to make a better living away from crime and drug abuse, we are doing something good for the society” (Mo, interview via zoom). This implies a concern for the company (ClimeIT Brothers) to be a learning organization (Senge, 2006; Irgens, 2011; Örtenblad, 2015; Filstad, 2016)

4. Conclusion

This research aims to enrich the existing body of knowledge on social entrepreneurship by offering fresh insights into the characteristics of social entrepreneurs. It goes beyond merely cataloguing the accomplishments of social entrepreneurs and delves deeper into their motivations and thought processes, analysing their conduct within the realm of social entrepreneurship. The social entrepreneurship theory along with the transformational leadership theory have aid the exploration of the contextual factors that drive the creation of social ventures, the underlying dynamics and structures of this organization, and how this entrepreneur gauges his social impact, mobilizes resources, and facilitates sustainable social change.

We are confident to conclude that ClimeIT Brothers fit the description of a “social entrepreneur” with transformational leadership style. His engagement and commitment to the society is visible and has definitely had an impact on several lives and been responsible for others setting up their own micro businesses. He is also both a transformational (Northouse, 2016, 2021) and empowering leader (Amundsen & Martinsen, 2014). His engagement for the development of the company in order to support even more people is not only admirable, but also shows his ideas for a learning organization (Senge, 2006).

4.1 Further Research

We have planned a follow-up research project, where we will interview the persons that he has helped establish their own companies. We will follow the same research methodology, and treat this as an extended case study (Yin, 2014). We have scheduled meetings in August and December 2023. Our primary aim for this extended case study is to establish how they perceive having set up their own companies, and how they view their position of social entrepreneurship. Are they able to forward the social entrepreneurship, or are they more concerned with their own companies and making a profit from their companies, and how they view and will engage in further initiatives from ClimeIT Brothers?

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