

**Volume 22, Special Issue****Print ISSN: 1098-8394;  
Online ISSN: 1528-2651**

# **FEATURES OF SOCIAL ENTREPRENEURSHIP AS A FACTOR IN THE DEVELOPMENT OF SOCIAL INNOVATION**

**Yevheniia Khaustova, Kyiv National University of Technologies and Design****Svitlana Breus, Kyiv National University of Technologies and Design****Svitlana Nevmerzhytska, Kyiv National University of Technologies and  
Design****Tetiana Tsalko, Kyiv National University of Technologies and Design****Tetiana Kharchenko, Kyiv National University of Technologies and Design**

## **ABSTRACT**

*We developed the systematization of social innovations, which details their types by a number of features, in particular, in terms of spheres of life, the nature of changes, consequences, types of end-effect, etc. This confirms the multifaceted possibilities of the influence of social innovations on human capital in the interests of increasing its competitive advantages. It has been determined that social entrepreneurship is a business with a social mission that requires appropriate conditions for development. Five stages of diffusion of social innovations that influence the development of human capital were identified.*

**Keywords:** Social Entrepreneurship, Human Capital, Competitiveness, Social Innovation, Professional Development.

**JEL Classifications:** I2, F6

## **INTRODUCTION**

The world experience shows that successes in economic, social and innovative development is strategically reached by countries where priority attention is paid to human capital and increase its competitiveness. Nowadays it becomes possible due to the introduction of social innovations in various spheres of human life, in particular in education, professional development, and employment spheres.

The systemic crisis, challenges and threats that the world community is facing today leads to a deterioration in the quality of human capital, a decrease in its competitiveness, and impedes the realization of the people's ability to work and receive decent income. There is a practical need for the scientific search for the possibilities of the newest changes-social innovations in the formation and use of human capital for the sake of its preservation, progressive development, and increase of competitive advantages in knowledge, skills, competencies, motivations, and results of work.

## **REVIEW OF PREVIOUS STUDIES**

Our analysis of world statistics on human potential development based on taking into account the possibilities of impact of social innovation on education, rehabilitation and

competitiveness has shown that, from the position of priorities, the strategy to increase the index of human development is achieved first of all by increasing the index of global competitiveness of the country (Tetiana et al., 2018), the second most influential factor is the increase in the cost of the population health improvement (Dees, 2017), the third one-social expenses (Durkin & Gunn, 2016).

The growth of the economic power of countries in the modern world is determined not by the volume of natural or financial resources, but above all by human capital of high quality and competitiveness, which is considered as the main factor of STP, creation of innovations, high technologies, and increase of competitiveness of the country (Nakashydze & Gil'orme, 2015).

## METHODOLOGY

The solution of the set tasks is accomplished through the use of a system of general scientific and special research methods, in particular: dialectical method-a method of classifications-in the process of determination of the essence of social innovations; economic-statistical analysis-to determine the trends of human capital development; information-logical analysis-in order to identify the priorities of innovative social development.

In the system of active methods, an important place is occupied by the case method, the main task of which is to reflect in detail the professional situation (problem) and to organize the managers' activity of its analysis and resolution. According to certain rules, a model of a specific situation that has occurred in real life is developed, and complex of knowledge and practical skills is reflected. In general, a case is not just a truthful description of events, but also a single information complex that allows you to understand the situation. In addition, it should include a set of questions pushing to solve the problem posed-the formation of social innovations in entrepreneurship. The main task of the practical case is to reflect in detail and in detail the professional situation-the case creates a practical "*acting*" model of the situation.

## RESULTS AND DISCUSSION

So, depending on the content and sphere of vital activity, where social innovations can be implemented, they can be distinguished in the following spheres of life:

Social innovations in the field of employment (distribution of distance employment, opportunities for part-time employment of adolescents, women with children, etc.).

Social innovations in education (implementation of distance learning, electronic control of knowledge, introduction of adult education, etc.).

Social innovations in upbringing (resuming of operation of children's and youth centers, children's camps of rest, teenage clubs for interests, as well as those with patriotic orientation at the place of residence at the expense of sponsorships of enterprises, volunteers, and funds of local authorities).

Social innovations in managing the development of human capital in the country (for example, by defining clear proportions of budget expenditures for social goals at all economic levels).

Social innovations in the social management of the development of the labour collective of the enterprise (introduction of corporate forms of rest, introduction of diagnostics of health and prevention of diseases; introduction of a hotline with the management of the enterprise and sector on labour issues, salary, labour conditions, social protection, propensity towards conflict, vocational training; introduction of a system of continuous education at the enterprise during the working life, etc.).

Social innovation in entrepreneurship-encouraging to start its own business by persons with disabilities, stimulation of social projects involving the remote employment of women with small children, development of national culture, national crafts, implementation of programs "*active aging*" (these programs suppose the attraction of labour potential, creative abilities, experience of elderly people), encouraging of adolescents to undergo the familiarization practices at enterprises, etc.

Social innovations in the health sector (for example, introduction of health insurance, creation of electronic medical cards, informing the population about the results of analyzes by e-mail, sending messages *via* SMS on the mobile phone (by personal consent), electronic reminder of the medical appointment, etc.).

Social innovations in the provision of geriatric care to the population (for the elderly persons, who need medical and social (geriatric) care, provision of information and consulting services in pharmacies, provision of the system of social discounts on medicines, introduction of special transport for transportation to the doctor, free services "*delivery of goods and medicines to home*", etc.).

It should be borne in mind that not all social innovations require investment. The latter is especially important in times of crisis, lack of or limited financial resources. Sometimes, the growth of a circle of like-minded people or volunteers is only desirable, and this already gives the spread of certain innovations accompanied by a positive social and moral effect.

Without diminishing the value of the individual types of social innovation mentioned in the classification proposed above, we believe that special attention is needed to the social innovations related to the development of the intellectual component of human capital and creative abilities. Of course, this is important at different stages of the formation, use and development of human capital, but in this sense such innovations should be specific and focused on managed human development starting from childhood to the stages of its work. Summarizing the world experience, we offer examples of social innovation in the development of human capital (Table 1).

Name	Essence	Advantages
Youth consulting centers	Social project " <i>Designer</i> " in Uzbekistan. Involving enthusiasts in the development of creative abilities of youth. Projects are implemented through the cooperation of entrepreneurs, non-governmental organizations, hobby groups and educational institutions (Rahdari et al., 2016).	The project promotes the social integration of young people in the field of science and technology, promotes the attraction of enthusiasts to the development of creative abilities of youth.
<i>"School grandfathers"</i>	Men aged 50-65 participate in school life, help children, teachers and parents, with the help of " <i>grandfathers</i> ", the educational process improves, children learn better and more interested (Chell et al., 2016).	In this way two problems are solved simultaneously: improvement of the quality of education, improvement of the psychological climate in educational institutions and social integration of the elderly with the support of their competitiveness.

School-to-Work programs (from the school bench to the workplace)	The essence of such programs is the close cooperation of entrepreneurs with educational institutions. Entrepreneurs provide opportunities for students to practice internship or part-time employment (Tetiana et al., 2018a).	As a result of these programs, the selection of pupils in their specialty becomes more argumentative, and training becomes more successful, they are more prepared to enter the labor market.
Mutual learning (knowledge sharing)	Creation of training centers that combine people with diverse skills and knowledge, who at the same time would be able to present this material (Hilorme et al., 2018).	People exchange knowledge, skills and experience on mutually beneficial (non-commercial) conditions, increasing the competitiveness of human capital.

Let's us comment on the social innovations listed in table 1. An innovative educational project-*"School Grandparents"* was launched in Sweden with the simultaneous support of teachers, directors and employment centers. Old men (50-65 years old), former teachers, engineers, entrepreneurs take part in the life of the school, help children and teachers, especially young and those who sometimes are ready to drop. Teachers often lack experience, patience, psycho-emotional training to prevent conflicts, and with the help of *"grandfathers"* the psychological atmosphere in the school improves, *"grandfathers"* are ready to give advice, talk in person, and lead hobby groups. In turn, teachers get more comfortable conditions of work, and children learn better and more interested.

In our view, social innovations and their assessment must necessarily relate to the management processes. Therefore, innovation should cover both the development of strategies for socio-economic development in general and the development of strategies for improvement of the competitiveness of human capital in particular. Among the newest variations of them: strategy of *"pursuing"*; strategy of borrowing *"leading technologies"*; strategy of *"bias"*. The first of these strategies is least risky, since it allows you to avoid errors and uncertainties, repeating the steps and features of the other objects already passed by other objects (Kickul & Lyons, 2016). The second one is more risky, because when you are copying the *"leader"*, you cannot avoid the risks inherent in its behavior and functioning (Dentchev et al., 2016). The third one is the most risky, because, in anticipation of a *"breakthrough"*, you cannot foresee (and therefore prevent) the uncertain conditions of socio-economic development (van der Have & Rubalcaba, 2016).

The diagnosis of the role of social innovation should be carried out both in general and within individual activities of people. The vast majority of them relate to innovative socio-economic management in the part of economic, social, environmental, social activities, and not limited to, their own managerial, as well as organizational, institutional and technical and technological activities. Thus, in the part of social activity, innovation relates to the creation of different forms and favourable conditions for ensuring high quality of life, social protection, social security, innovations in education, health care, environment, activization of factors concerning the manifestation of creativity, self-expression of personality, and information provision. In the part of economic activity-the formation and implementation of economic management methods accompanied by the needs of forecasting, synthesis of strategies, building of strategic and current plans, financing needs, remuneration for labour, pricing, analysis and assessment of the environment, evaluation of the results of activities, monitoring the results of economic processes, directing them on advanced and innovative development of use of new knowledge, experience, and developed competencies. In the part of ecological activities-control

of the state and protection of the environment, natural resource potential, ensuring the reproduction of the ecological environment and rational use of resources.

In the process of evaluation of the role of social innovation, it is necessary to take into account the fact that activities with innovative content are subject to diffusion, which causes the transition from one stage of the innovation process to another. We distinguish five stages: the awareness stage refers to the situation where the innovation generator identifies the idea with a new, but not sufficient, informational argument; the stage of interest concerns a situation where the individual is interested in the idea and is delighted with the search for additional information; the third stage-an assessment, at which the decision is made to assess the possible beneficial effect of the possible implementation of the idea in the near future; next stage-approbation; the final stage is the adoption of the idea. Social innovations can cover the stages themselves, directing the development of the original idea-signal in one or another direction.

It is clear that this process can lead to different results, depending on the specifics of the professional activity of the individual, its professional qualities and talents.

The social entrepreneurship is essentially a business with a social mission that acts on a self-sustaining basis, combining entrepreneurial goals with charity.

The vision of ways to create favourable conditions for the development of social entrepreneurship relates to recognition of its various organizational and legal forms, conditions and requirements for their activities, namely: social enterprises should be flexible enough not to interfere with the observance of existing norms and norms both strategically and operationally tactically; the model of governance should include the participation of sponsors, donors, volunteers, and other participants in social entrepreneurship; the main objective of social entrepreneurship as a new phenomenon must serve the solution of actual social problems, rather than profit; the activity should be the implementation of favourable forms of interaction with public organizations, especially in the production of goods and services of a social nature.

The result of our study complements the existing study. The growth of the economic power of countries in the modern world is determined not by the volume of natural or financial resources, but above all by human capital of high quality and competitiveness, which is considered as the main factor of STP, creation of innovations, high technologies, and increase of competitiveness of the country (Nakashydzė & Gil'orme, 2015)

## CONCLUSIONS

With the unification of the information space of the planet that has occurred under the influence of the Internet, the levers of influence on socio-economic development, in particular on improvement of the competitiveness of human capital, have substantially expanded, owing to the possibility of interference through social networks to the society, within which the activity is carried out by an individual, an employee, a citizen, groups of people, population of the country, and society. Under such conditions, the introduction of social entrepreneurship, the social responsibility of its subjects becomes a determining factor for further development through the inclusion of the economically active population in productive labor using the latest forms, technologies, methods, means of work and life as a whole, contributing to increase in the competitiveness of human capital.

The nearest task is the management of social innovations from the point of view of increase of the competitiveness of human capital, when the means of regulatory influence would appear to be the latest changes in the formation of decent living standards of the population. This includes: ensuring effective employment of the population, creation of a stimulating space for

increase of competitive advantages in the development of human capital, enriching and implementing creative potential in the workplace.

## REFERENCES

- Chell, E., Spence, L.J., Perrini, F., & Harris, J.D. (2016). Social entrepreneurship and business ethics: Does social equal ethical? *Journal of Business Ethics*, 133(4), 619-625.
- Dees, J.G. (2017). The meaning of social entrepreneurship. In *Case Studies in Social Entrepreneurship and Sustainability*, (pp.34-42). Routledge.
- Dentchev, N., Baumgartner, R., Dieleman, H., Jóhannsdóttir, L., Jonker, J., Nyberg, T., Rauter, R., Rosano, M., Snihur, Y., Tang, X., & van Hoof, B. (2016). Embracing the variety of sustainable business models: Social entrepreneurship, corporate intrapreneurship, creativity, innovation, and other approaches to sustainability challenges. *Journal of Cleaner Production*, 113, 1-4.
- Durkin, C., & Gunn, R. (2016). *Social entrepreneurship: A skills approach*. Policy Press.
- Hilorme, T., Inna, N., Walery, O.K., Olga, G., & Svetlana, D. (2018). Innovative model of economic behavior of agents in the sphere of energy conservation. *Academy of Entrepreneurship Journal*, 24(3).
- Kickul, J., & Lyons, T.S. (2016). *Understanding social entrepreneurship: The relentless pursuit of mission in an ever changing world*. Routledge.
- Nakashydz, L., & Gil'orme, T. (2015). Energy security assessment when introducing renewable energy technologies. *Eastern-European Journal of Enterprise Technologies*, 4/8(76), 54-59.
- Rahdari, A., Sepasi, S., & Moradi, M. (2016). Achieving sustainability through schumpeterian social entrepreneurship: The role of social enterprises. *Journal of Cleaner Production*, 137, 347-360.
- Tetiana, H., Karpenko, L., Fedoruk, O., Shevchenko, I., & Drobyazko, S. (2018a). Innovative methods of performance evaluation of energy efficiency project. *Academy of Strategic Management Journal*, 17(2), 112-110.
- Tetiana, H., Maryna, C., Lidiia, K., Michail, M., & Svetlana, D. (2018). Innovative model of enterprises personnel incentives evaluation. *Academy of Strategic Management Journal*, 17(3), 1-6.
- Van der Have, R.P., & Rubalcaba, L. (2016). Social innovation research: An emerging area of innovation studies? *Research Policy*, 45(9), 1923-1935.