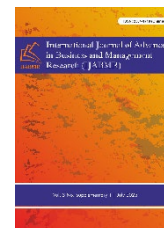




CATALYSTS OF CHANGE FOR A BETTER TOMORROW: THE NEW AGE SOCIAL IMPACT ENTREPRENEURS OF THE 21ST CENTURY

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Original Article

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Abstract

This conceptual paper examines the changing face of entrepreneurship in the 21st century, with a focus on the rising concept of social impact entrepreneurship and the implications of this theoretical model for contemporary disruptions of the status quo. The goal is to explore how these people and companies go beyond profit-focused business models, integrating purpose, inclusivity, and sustainability into the very fabric of what they do. Based on a multidisciplinary review of entrepreneurship theory, social innovation literature, and sustainability frameworks, the paper critically unpacks the strategic behaviours, motivation, and ecosystemic dynamics that drive the emergence of social impact entrepreneurs. The design of this study emanates from a theoretical analysis and integrative framework. It unpacks a few important constructs like mission-driven leadership, stakeholder engagement, and impact-oriented value creation, introducing the conceptual frame through which to appreciate their particular place in the global development conversation. Although the paper does not present empirical findings, it introduces conceptual novelty by identifying the evolving landscape of entrepreneurial intention and highlights the blurred distinctions between ethical capitalism and entrepreneurship. The results of this Paper are a typology for 21st-century social impact entrepreneurs and a conceptual framework that may be useful for future empirical research. Its lack of empiricism is that it now must be validated with case studies or cross-sector data. However, it is relevant for academia, policy, and practice because it can impact educational curricula, strategies for incubators, and inclusive policy measures. The Paper's contribution lies in reconfiguring social entrepreneurs as dynamic actors of societal change, whose initiatives embody conjoint economic prospects and moral imagination.

Keywords: *Catalysts of Change; 21st Century Entrepreneur; Purpose-Driven Innovation; Sustainability-Oriented Enterprise; Social Impact Entrepreneurship*

Introduction

In a time of systemic injustices, environmental destruction, and increased disparities in access and rights, the world needs more than incrementalism; it needs a transformation. They are a reflection of the entrepreneurial architects of this change—passionate business professionals who bring business to life for social purpose and sustainability. As Dacin, Dacin and Tracey [1] correctly state, “Social entrepreneurs are not entrepreneurs who have a heart; they are entrepreneurs with an eye toward change and with a vision of how to deploy profit in such a manner as to make it a change agent. Their businesses are aimed both at addressing market failures and at filling up moral and structural

gaps.” These new-wave entrepreneurs build disruptive solutions for old systems while ensuring inclusivity, equity, and long-range sustainability. Zahra et al. [2] argued, “The site of innovation in the 21st century is moving from new technologies alone to hybrid solutions driven by empathy, cultural competence and a pledge to system equity. Social entrepreneurs work at the intersection of empathy and efficiency, and we must rethink how institutional norms are remade from scratch.” Indeed, Mair and Martí [3] even suggested, “What differentiates social entrepreneurship is not only its focus on social beneficial activities but also its capacity to mobilise resources, narratives and networks in the pursuit of justice. It’s essentially a counter-narrative to exploitative capitalism.”

These observations reveal the need to reconsider entrepreneurship through the lens of moral imagination and transformative systemic change. Social impact entrepreneurs are not minor players. They are the main characters in the human development narrative. They strive to promote inclusion, sustainability, and dignity among the underprivileged. As institutions, markets, and governments confront global challenges—from climate change to social upheaval—these entrepreneurs represent hope, agency, and an unorthodox future based on moral inventions. Going beyond these paradigms of business itself, this paper attempts to conceptualise this emergent breed of changemakers with a view to locating their discourse not only within the language of business but, instead, within society's narratives of change. They are savvy, caring, and confident change agents that embody a new form of leadership for the 21st century—a type of leadership that is collaborative, conscious, and catalytic.

Literature Review

Social Impact Entrepreneurs: A Theoretical Lens

The theory underpinning the social impact entrepreneurship phenomenon has its intellectual roots in several core concepts that together explain why it has appeared, why it is legitimate, and why it is distinct in the world of entrepreneurship. At its core, the text is interdisciplinary, incorporating social capital theory, stakeholder theory, institutional theory, and transformative leadership theory, all of which contribute to illuminating how social entrepreneurs accomplish their core tasks.

Just as Putnam [4] suggested in his classic work, “Social capital is not something that is likely to be adequately produced by market economies, which require repetition and self-interest.” Nor is it a mere outcome of involvement in communities (as low-income people and people of colour are), but it is a critical raw material for successful collaboration, trust, and innovation. Social entrepreneurs use this capital not for profit-making but to create networks that offer redistributive value and demonstrate the power of resilient communities.” This focus on relational wealth reveals the importance of trust-based networks in launching social entrepreneurial ventures.

Freeman and Reed [5] argued that “The firm is not an atomistic entity responsible only to stockholders, but a nexus of relationships concerned with strategic stakeholders whose legitimacy and credibility are increased by being defined and balanced. Unlike traditional entrepreneurs, social entrepreneurs adopt this philosophy from the start and make it part of their mission.

Further, DiMaggio and Powell [6] stated that organisations are products of both economic action and cognition and are influenced by the institutional environments in which they are constructed and function. Moreover, “Social Entrepreneurs are individuals who have chosen to confront this inevitable necessity not by rejecting existing norms but by redefining them to introduce multiple logics of value and alternative ways of thinking and being, even within the realms of economic progress, while institutionalising compassion as a characteristic of reasonable enterprise progression.”

Adding to this, in the view of transformational leadership, Burns [7] asserted that leaders of transformation are not satisfied with mere transactional gains; instead, they seek to elevate the values, aspirations, and consciousness of those they lead. The kind of leadership Burns discusses in the political arena corresponds to what social entrepreneurs demonstrate by shifting the value of societal welfare to the centre of their entrepreneurial endeavours.

Together, these ideas create a strong basis for understanding the reasons, methods, and moral responsibilities that define today's social impact entrepreneurs. Their efforts are not effects but causes of social necessity; they are not responses but ideologically based, emotionally led, institutionally adversarial initiatives.

Social Impact Entrepreneurs: A Conceptual Framework

The way to understand how entrepreneurs affect society in the 21st century involves a mix of having a clear purpose, creating inclusive innovations, looking at the bigger picture, and generating combined value. These dimensions are not discrete but interrelate to form an integrated architecture for socially orientated business.

In the words of Nicholls, “Social entrepreneurship is most productively approached as a fluid, contested discursive terrain that is located at points of confluence between the market, civil society, and state domains [8]. This characteristic enables the assembly of hybrid identities and the practice of institutional bricolage to tackle problems that traditional orders cannot resolve.”

Meanwhile, this hybridisation is fundamental to how social entrepreneurs operate models that are mission-driven and financially sustainable. In the same way, Santos stated that “social entrepreneurs do not simply confront empty market spaces; they redefine the very notion of value to include dignity, empowerment, and systemic inclusion [9]. It is about contents that transform and not about additions or mechanisms of exclusion rooted in place.”

The ability to recognise patterns where others perceive chaos, create opportunities where others perceive constraints, and modify resource bundles to transform challenges into opportunities is the central distinctive competence of social entrepreneurs [10]. They do not emerge from privilege but are based on necessity, so resilience and learning then become core competencies.”

In addition, it may be emphasised that social entrepreneurs do not simply work within ecosystems but rather actively reform them by introducing new organising principles and Stakeholder alignments. They attempt to fill in the moral or institutional voids by designing moral purpose into the enterprise.” The framework therefore presents social impact entrepreneurs as border-crossers—people and collectives that seek to push existing logics while creating new, inclusive ones [11]. Their practices are grounded in four cross-cutting factors: (i) Shared worth Identity, (ii) Inclusive Creative Offerings, (iii) Contextual Embeddedness, and (iv) Hybrid Value Creation. Together, these shape the structural and strategic orientation of their enterprises and allow them to prosper in the midst of complexity and further social change.

Social Impact Entrepreneurs: A Context Dimensional View

The 21st century has witnessed the emergence of the social impact entrepreneur as a crucial catalyst for systemic change, serving as a conduit between traditional capitalism and socially conscious missions.

Unlike their for-profit or not-for-profit predecessors, these modern changemakers prioritise balancing financial sustainability with measurable social results [12].

Their appearance is not an isolated one but reflects a broader socio-political trend, which is the increased global awareness of inequality, environmental destruction, and institutional voids in which state instruments have been found insufficient. The proliferation of social entrepreneurship worldwide suggests that such entrepreneurs are not just product and service innovators. They are “defining new institutional norms and creating new organizational archetypes” across sector boundaries [13, 14]. The hybrid organizational design, described in the recent literature, is a deliberate attempt to “reconcile competing institutional logics—commerce versus community” [15]. These hybrids face crucial tensions, including mission drift, governance complexity, and stakeholder alignment, which they should manage through “adaptive strategies and stakeholder-centric governance models” [16, 17].

Globalisation and advances in digital technology have helped propel that shift. The proliferation of new media, mobile devices and cloud-based platforms has facilitated scalable social innovations even in less developed areas. Inclusive fintech, telemedicine, edu-tech for underserved communities and climate-adaptive agritech are examples of how impact entrepreneurs are “using innovation to address resource disparities” [18, 19]. Thus, they are “embedded agents of change, providing locally appropriate responses to institutional voids through situated compassion and on-the-ground local knowledge.” [20]. Simultaneously, emerging forms of capital such as impact investing, blended finance, and social impact bonds are transforming the entrepreneurial funding landscape, enabling socially conscious businesses to leverage their financial capabilities.

These instruments embody the emerging consensus that “doing good and doing well is not a trade-off but rather can be mutually reinforcing when purpose and performance intersect.” [21].

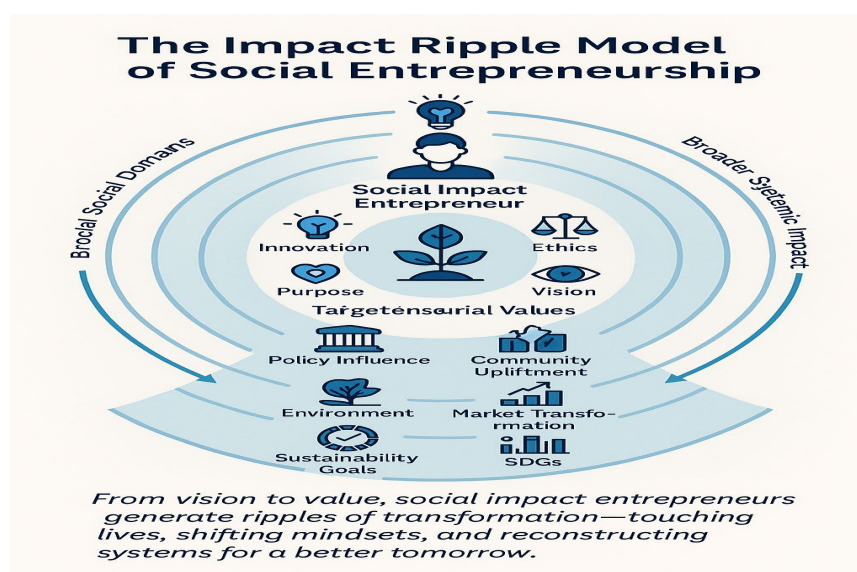
The educational ecosystem is also nurturing a new generation of leaders. Business schools and incubators are incorporating elements of “*ethics, empathy and design thinking*” to cultivate *mission-oriented mentalities*. Business schools and incubators are incorporating elements of “ethics, empathy and design thinking” to cultivate mission-oriented mentalities [22]. Evolving curricular changes are also justified as serving national policy objectives, as evident in the OECD's call “for job creation through social economy strategies” and encouraging support at the national level for funding social venture development, which together “legitimises and promotes the integration of social value into entrepreneurial practices.” This shift not only aligns with contemporary societal needs but also equips future leaders with a more holistic approach to tackle complex challenges [23, 24].

The entry of the social impact entrepreneur in the 21st century is not just a trend but a transformative movement in how social issues are identified, defined, and solved. These forces of change are “*questioning the traditional metrics of success*” by “*pushing all of us to tell a new story*”—one in which value is “*co-created through empathy, innovation, and shared purpose*.” Their work foretells a brighter future—one that is not only rooted in economic growth but also in fair impact and sustainable change.

The Impact Ripple Model of Social Entrepreneurship

‘The Impact Ripple Model of Social Entrepreneur’ is depicted below in two different figures with a design concept. One can see a concentric ripple effect emanating from a central figure (symbolising the social entrepreneur) and radiating outward in waves to represent cascading spheres of influence (refer to Figure 1).

Figure 1: Impact Ripple Model of Social Entrepreneurship

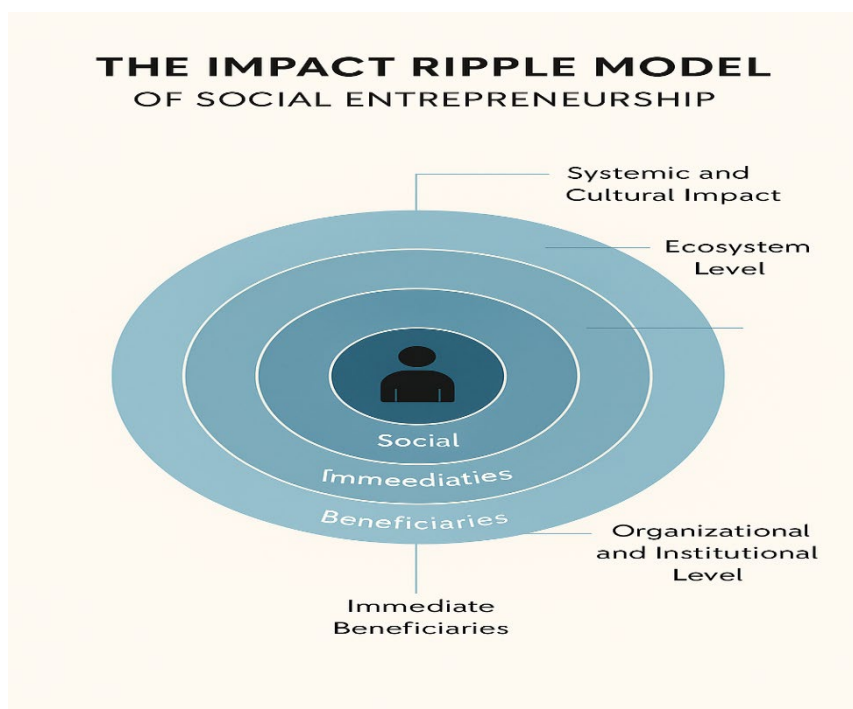


Source: Collected by Author

Visualizing the Expanding Spheres of Change Catalyzed by Social Entrepreneurs: A Narrative

The Impact Ripple Model of Social Entrepreneurship presents a conceptual visualisation of how social entrepreneurs initiate, sustain, and expand systemic transformations. Much like a stone dropped into still water, the model begins with a central figure—the social entrepreneur—whose vision, values, and actions generate ripples that travel outward, creating widening circles of influence. Each ripple represents a specific area of impact that is connected to others, showing how small actions can add up to create big changes.

Figure 2: Expanding Spheres of Change Catalyzed by Social Entrepreneurs



Source: Collected by Author

The model fundamentally represents the individual changemaker, rooted in purpose and motivated by a mission that balances financial viability with social value. This central figure is not a passive actor but an *active catalyst*, responding to local needs with contextually rooted solutions informed by empathy, lived experience, and innovation.

The first ripple extends to the immediate beneficiaries—communities, marginalised groups, or underserved populations—whose quality of life is directly improved through access to essential services, education, healthcare, or livelihood opportunities. Here, the entrepreneur's innovation begins to *bridge institutional voids* and address resource asymmetries.

The second ripple encompasses the organizational and institutional level, where hybrid business models challenge conventional sectoral boundaries. These organisations embed *dual logics—market efficiency and social equity—in their governance structures, scaling their impact* through strategic partnerships, inclusive practices, and adaptive models.

The third ripple radiates to the ecosystem level, comprising enabling actors such as impact investors, incubators, accelerators, and policy frameworks. These stakeholders provide *the financial, technical, and regulatory scaffolding* required for social enterprises to flourish and replicate their models across geographies.

The outermost ripple represents the systemic and cultural impact. At this level, the collective influence of social entrepreneurs contributes to redefining success metrics, embedding ethical consciousness in the market, shaping policy discourse, and legitimising social entrepreneurship as a professional and educational pathway. It is here that the

entrepreneur's work becomes a part of a broader social movement, contributing to *equitable, sustainable, and resilient systems of development*.

The Impact Ripple Model thus serves as a visual metaphor and strategic lens. It reinforces the understanding that social entrepreneurs are not isolated actors but embedded change agents whose interventions are *multi-scalar, integrative, and regenerative*. Their influence does not stop at the point of service delivery—it expands outward, seeding long-term transformations that reshape both communities and the institutions that govern them.

Social Impact Entrepreneurs: Critical Review of Empirical and Evidence-Based Articles

The practice-based literature in social entrepreneurship has grown rapidly, thereby providing a rich understanding of what motivates, constrains, and impacts social ventures. In this review, they critically examined ten influential pieces of work that helped frame our understanding of social entrepreneurship in different settings.

Zahra et al. [25] conducted a typology of social entrepreneurs and found that “Social entrepreneurs can be classified according to their predominant motivation, either from the social-mission-driven or market [driven] perspective. This typology will clarify the various strategies social ventures use.”

Stephan and Drencheva [26] conducted an extensive literature review and concluded that “The personal values and psychological traits of social entrepreneurs are instrumental in business creation and growth.” Understanding these individual-level factors is especially important for nurturing successful social entrepreneurship.”

Corner and Ho investigated the process of opportunity development, concluding that “Social entrepreneurs frequently engage in iterative learning and adaptation, which is critical to addressing complex social issues. This emergent process serves to illustrate the importance of adaptability and robustness in social ventures” [27].

Lepoutre et al. [28] conducted a worldwide data analysis, demonstrating that the institutional context significantly influences the existence of social entrepreneurship. And “there is evidence that policy or cultural contexts foster social ventures.”

Rawhouser et al. researched impact measurement and found that “There is no common set of metrics to evaluate social impact, which makes it difficult to compare and scale social ventures. Creating strong assessment structures is an important goal” [29].

Saebi et al. [30] examined the development of social entrepreneurship scholarship and stated that “The field has moved from adolescence to early adulthood with greater theoretical and methodological sophistication, but the task remains to integrate multiple disciplinary perspectives. Future research should seek more interdisciplinary collaborations.”

Dacin, Dacin, and Matear [31] stressed the significance of legitimacy, indicating that “Acquiring legitimacy depends on one type of resource that is very important for social entrepreneurs, above all for those working in institutional voids. Tactics for establishing credibility are crucial in a venture’s success.”

Mair and Martí [3] explored institutional entrepreneurship, noting that “social entrepreneurs frequently act as institutional entrepreneurs who challenge and transform existing norms and practices. They create value to contribute to the transformation of a broader system.”

Short et al. [32] evaluated the condition of empirical research and noted, “Despite the proliferation of social entrepreneurship studies, the need is for more rigorous empirical methodologies to provide a solid academic foundation for the field.”

Dees [33] offered several seminal insights, including the idea that social entrepreneurs serve as change agents in the social sector by adopting a mission to create and sustain social value rather than just private value. Their solutions are novel and have a core social purpose—e.g., their business model directly addresses a pressing social need.”

Social Impact Entrepreneurs: A Comprehensive Literature Review

A growing body of social entrepreneurship literature presents different views on motivations, barriers and institutional environments for social enterprises. This review consolidates ten critical works that have shaped the field of social entrepreneurship.

Pache and Santos [14, 34] analysed organisational approaches to conflicting institutional demands and found that social enterprises commonly face institutional complexity, which requires the management of legitimacy among multiple stakeholders. Navigating these tensions is crucial to the longevity of an organisation.

Battilana and Lee [35] examined hybrid organisation formation, determining that balancing social and commercial goals necessitates the articulation of a common organizational identity. As we have seen, such an identity helps create cohesion and protect against mission drift in hybrid organisations.”

Ebrahim et al. [15] argued that “Governance of social enterprises: Mission drift and accountability challenges in hybrid organisations. Such alignment is necessary to avoid mission drift.”

Smith et al. [17] examined paradoxical demands in social enterprises, finding that “The embracing of a set of paradoxes—without determining that either pole must dominate—allows social enterprises to innovate and adapt. This strategy promotes resiliency in complex settings.

Doherty et al., [36], In a systematic review of hybrid organisations, the authors discuss the "cross-pressures that social enterprises experience in terms of resources and legitimacy". And, “to meet their somewhat complementary needs, public and private parties have to understand these tasks, which are critical to be managed.”

Tracey et al. [37] examined emergent forms of organisation with "in-context innovation. " Social entrepreneurs are "routinely decentralised actors" who often engage in institution work that empowers novel organisations. This entailed the reordering of norms and practices in their fields.”

Battilana et al. [38], They concluded in their study that "Leadership in social enterprises involves managing paradoxes and facilitating a shared vision even more than it does in other organisations." This capacity is essential for organizational coherence.” G

Grimes et al. [39] explored the founding of social enterprises, concluding that “... the creation of social enterprises is influenced by the founders' capacity to recognise and exploit opportunities that are congruent with their social goals. It is this alignment that underpins the creation of ventures.”

Jay [16], examined the dynamics of hybrid organising, demonstrating that “Hybrid organizations need to constantly negotiate their dual identities to maintain legitimacy. This negotiation influences strategic decisions and stakeholder relations.

Seelos and Mair [10, 18] examined innovation in social enterprises by stating, “Social enterprises frequently create new solutions to serve institutional voids. Such innovations are levers for social change and may eventually lead to institutional innovation.”

Social Impact Entrepreneurs: A Discussion

The Future of Business: The historical significance of social impact entrepreneurship in the 21st century isn't just a transforming fad for corporations—it is a philosophical overhaul of business as we know it. Their entrepreneurs are transcending the erroneous division between profit and purpose, establishing a new paradigm that equalises profit and societal benefit.

As Bornstein and Davis [40] pointed out, "Social entrepreneurs don't simply manage or cure problems; they dissolve them by attacking 'root causes' while building alternative systems of possibility. Their efforts are not only about providing relief but also about affecting change and making a difference through compassionate and ethical involvement." That transformative intention makes them not be just pure entrepreneurs and closer to changemakers or system architects.

Yet more evidence of this new orientation is found in Dees' [33] assertion that "The social entrepreneur is not content to provide a man a fish or teach him how to fish. They will never rest until they have reengineered the fishing industry itself to provide equitable access, sustainable methods, and inclusive distribution. That means a deeper level of impact, not transactional but systemic, powered by innovation, resiliency, and vision.

As Martin and Osberg [41] explained, "If business entrepreneurs are the innovators who create social transformation, social entrepreneurs are the innovators who disrupt the status quo for the benefit of society. Success for them is based on ripple effects, not just revenue: more agency and dignity and less inequity. It's those ripple effects that often have wide implications beyond the individuals being directly affected, rewriting scripts and rebuilding realities for entire industries.

However, issues persist. 42. Hockerts [42] claimed that the hybrid nature of social entrepreneurship creates tensions between social and economic logics, complicating decision-making and making resource allocation ethically complex. Managing these tensions requires strategic focus, moral reflexivity, and adaptive governance."

Despite their frustration, these tensions also necessitate innovation in structuring organisations, engaging stakeholders, and measuring success. This conversation confirms our long-held belief: social impact entrepreneurs are not operating at the periphery of the market, but rather, they are transforming these margins, thereby elevating them to a prominent position. It places them in a special position that requires intellectual agility, emotional intelligence, and an undying pursuit of justice through entrepreneurial methods.

Social Impact Entrepreneurs: Some Ideas and Policy Implications

The rise of social impact entrepreneurship requires a parallel advance in the policy architectures that enable, grow, and maintain these hybrid enterprises. Traditional regulatory models often fail to accommodate the dual mission of social entrepreneurs, necessitating a reform that is both permissive and forward-thinking.

Mulgan [43] pointed out that most policy environments still revolve around for-profit or non-profit literatures, trapping social entrepreneurs in a state of institutional uncertainty. They need a third space in policy where that could happen and where ventures which don't fit neatly into the old categories get supported." The result, as a consequence, is that governments need to evolve hybrid governance instruments that are facilitatory of mixed value models.

Kerlin [44] emphasises the urgency of the need by adding that "Social enterprise models thrive when enabling environments are created by governments through targeted fiscal incentives, inclusive procurement practices and ever-ready legal, innovation-friendly status."

Without these foundational investments, the most effective initiatives will find themselves on the margins. This raises the importance of systemic inclusivity in public policy, particularly in emerging markets where regulatory inertia can hold back social innovation.

Furthermore, according to OECD [45], policy advisers argue that cross-sectoral cooperation is essential for mobilising policy tools that integrate economic development with social cohesion. Partnerships that governments have established with private-sector actors to strengthen these ecosystems can help to amplify social entrepreneurial impact.” These are networks that can build strong support structures, including incubation, impact measurement, funding, and mentorship.

In reviewing Musical Highways, Haugh [46] noted that “Policy cannot react to social entrepreneurship alone but needs to proactively influence its evolution by embedding it in national innovation systems.” And “To achieve this would demand a move from ad-hoc support to structural alignment between ministries and development agendas.”

Policy intervention needs to be consistent, credible and scalable: these are conditions for strategic alignment. So, the policy agenda needs to change from being a marginal issue to a core concern, with inclusiveness, flexibility and inventiveness as guiding principles. Such an approach is the only way social entrepreneurs can be enabled to act as institutional co-creators of just and sustainable futures.

Discussion

Social Impact Entrepreneurs: A Few Strategic Recommendations

Given the growing international importance of social impact entrepreneurship, there is an urgent need for multi-faceted strategic interventions across the areas of praxis, policy, and pedagogy. A comprehensive vision will not only provide cadastral support to individual projects but, through institutional integration and ecosystem building, create systemic change.

Lyon and Fernandez [47], argued that “Given the growing international importance of social impact entrepreneurship, there is an urgent need for multi-faceted strategic interventions across the areas of praxis, policy, and pedagogy. A comprehensive vision will not only provide cadastral support to individual projects but, through institutional integration and ecosystem building, create systemic change. This highlights the importance of home grown innovation as opposed to foreign cloning.

Tracey and Phillips [48], highlighted the importance of legitimacy building by stating that “For social entrepreneurs to succeed, they must create new institutional logics and gain stakeholder legitimacy in unfamiliar environments. *This entails the (re)making of narratives, building of coalitions and being adaptive leaders.*” This is when strategic storytelling and stakeholder inclusion become essential for scaling of impact.

Structurally, Zahra et al. [2], recommended creating transdisciplinary incubators and impact investment networks, as they can dramatically lower the barriers to entry and reduce operational friction for social entrepreneurs. These systems should be one-stop programmes that combine mentoring, financing, policy endorsement and technological assistance.”Such systematic support services are essential for continuous development of Entrepreneurship. Such systematic support services are essential for continuous development of entrepreneurship.

Educationally, Kickul and Lyons [49] claimed, “Incorporating social entrepreneurship into mainstream business education shifts mindsets from a focus on profits to a focus on leadership with purpose. It is also through experiential pedagogy and action-oriented curricula that socially responsible innovators are being developed.”

That's why academia need to become hotbeds of ethical and entrepreneurial reimagination. Strategically, an alignment of inclusive policy, ecosystem infrastructure and future- ready education can shape social entrepreneurs as the builders of resilient, regenerative, and just societies.

Social Impact Entrepreneurs: Limitations of the Present Study

Although this paper aims to provide a broadly based conceptual analysis of social impact entrepreneurship, there are some limitations. First, this assessment is heavily based on theoretical models and secondary data, which, while strong and reliable, may not completely embody the real-life difficulties social entrepreneurs are encountering within the dynamic international context.

Short and Moss [50], Echo this limitation, lamenting that “the bulk of research in social entrepreneurship lacks contact with the real world of entrepreneurs”, so it remains “ungrounded life, thus leading to a divorce between theory and practice. There is a need for empirical studies that provide more grounded recommendations.

This requires an integrated method of acting in theory and in practice. In addition, this study is primarily reviewing the Western understanding of social entrepreneurship; thus, it may not be sensitive to the contextual differences regarding culture and entrepreneurial activity in non-Western settings.

Nicholls [8, 51], the dominant Western-centric lens of social entrepreneurship has limited the potential for innovation and diversity of perspectives, as argued by the author. "A future and inclusive research agenda must move to support cross-cultural studies." Moreover, the study offers no insights into how social enterprises operate in the resource-deficient settings, which is an area in urgent need of further analysis.

Zahra et al. [2] underline that exploring how social enterprises in emerging economies are affected by financial constraints remains a relatively uncharted territory. This void constrains the generalisability of such models across a broad array of economic contexts.”

Finally, the absence of longitudinal analysis of the long-term development and effects of social enterprises is wanting. Stephan and Drencheva [52] mentioned, “Without longitudinal studies, it will not be possible to rigorously assess the sustainability and scalability of social enterprise. The failure of evidence-based practice to rise to a similar level of prominence is worrying. The result is a serious gap in our knowledge of the real impact of social enterprises.”

Research Gaps in Literature on Social Entrepreneurship

Despite the robust literature on social entrepreneurship, significant gaps remain in how we conceptualise an emerging world of social impact venture creation in the digital realm, the post-pandemic era, and a climate-aware globe. A lot of the literature continues to be based on Western stories and does not truly take in the culturally and contextually situated realities suitable to SE within the developing world.

Dacin et al. acknowledged this bias, noting, “the field has tended to overlook the intersectional dimensions—gender, caste, and geography—that have a bearing on agencies and the impacts of entrepreneurship.” Further, more nuanced geographic-specific research is needed to enhance theoretical generality and empirical relevance” [31]. These omissions limit the contribution of the field to well-informed development policy.

Stephan and Drencheva [52] criticised the interdisciplinary gap that exists: “Research on social entrepreneurship tends to work in silos with little cross-citation. This literature base does not take advantage of cognitive science, behavioural economics, or systems thinking. This fragmentation is a limitation in our ability to develop scalable, adaptive and resilient social innovation models.” Integrative models are therefore essential to understand complex entrepreneurial ecologies.

Also, Corner and Ho [27] noted that “There is little longitudinal research that follows social enterprises through their lifecycle and development. Without this, our knowledge of resilience, pivoting and mission drift is at best speculative.”

The argument is that conducting temporal and processual analyses would reveal how organisations cope with volatility while maintaining their purpose.

Finally, the impact assessment methodologies developed by Rawhouser et al. [29] are still in the early stages of evolution, and the approaches they use are often inconsistent in resource-constrained settings. Its measurement is not yet standardised. “There is no universally accepted standard for social return on investment.

This is a significant call for standardisation regarding the assessment of long-term social value. These gaps in research invite a realignment of inquiry, prompting scholars to adopt pluralistic, longitudinal, and integrative frameworks in accordance with the lived experiences of modern-day social impact entrepreneurs.

Future Research Directions

The changing terrain of social impact entrepreneurship offers rich ground for multidimensional (academic) exploration. Given the overlap between profit, purpose, and policy and the porous nature of this boundary, there is a clear imperative to revisit, reframe, and critically interrogate what and how social entrepreneurs are doing in multiple social and economic spaces.

Corner and Ho [27] suggested once more that the future of social entrepreneurship research lies in unpacking the psychological and motivational architecture of entrepreneurs. Moreover, ‘To advance theoretical development, it is necessary to have an appreciation of how identity, emotion and moral conflict intersect in decision-making.’

Few studies have methodically investigated these internal drivers. Further, field studies in under-represented regions, particularly in the Global South, are needed.

According to Lepoutre et al. [28] there is a lack of empirical research from low-income and middle-income societies, where social innovation may respond to needs for survival in contrast to institutional spread. "These settings 'provide unique contextual understanding that can enhance theory.'" What is also needed is an imperative to design common impact assessment frameworks for measuring the impact and scalability of social enterprises.

As per Rawhouser et al. [29] “These differences in measurement standards across the social enterprise field have compromised the comparability and credibility of reported outcomes. An integrated perspective on impact measures is long overdue.”

Last, cross-sector explorations across sociology, behavioural economics, technological studies, and public administration may enrich a comprehensive understanding.

Saebi et al. [30] stressed on, “Future research will need to cut across the silos of academic disciplines to make adequate accommodation for the hybrid, adaptive character of social entrepreneurship. Convergence of this kind is the technology’s minimum useful scale.”

In short, academics need to move beyond theoretical orthodoxy and invest themselves in challenging, groundbreaking research that reflects the dynamism and complexity of social entrepreneurship in the 21st century.

Key Takeaways from the Paper

The Rise of the New Vanguard: The 21st century has ushered in the era of social impact entrepreneurs as critical drivers of system change, operating at the intersection of economic opportunity and environmental & social imperatives to address entrenched global inequities [53].

Hybrid Logics to Power Purposeful Disruption: Social entrepreneurs are skilled at synthesising commercial logic and altruism, balancing making money and creating social value as they chart new institutional terrain that consists of hybrid organizational forms.

A New Literacy of Entrepreneurial Identity: An entirely new definition of ‘success’—not profit maximisation but ‘purpose maximisation’, where profit and philanthropy intertwine, changing the traditional way businesses are measured and beginning to measure performance by the level of positive impact [54].

Strategic alignment with SDGs (Sustainable Development Goals): Social impact entrepreneurship deeply aligns with the global agenda for inclusive and sustainable development, directly contributing towards poverty reduction, gender equality, climate change and education reform.

The paper uses concepts from institutional theory, stakeholder theory, and transformational leadership to create a solid framework that supports and validates social impact entrepreneurship.

The study suggests specific policy changes and strategic actions, such as improving regulations, providing better access to financial resources, and creating support systems for social entrepreneurship to be established in different regions.

From Theory to Actions: A gap analysis on the measurement of long-term social impact, scalability, and cross-cultural adaptability the paper is conceptual, but it identifies research gaps in measuring long-term social impact, scalability, and cross-cultural adaptability and points to avenues for empirical investigations [54].

Catalysts of Collective Futures: And they depict social impact entrepreneurs not only as economic agents but as catalysts of hope, human connection and systemic change—changing the architecture of value creation for a future that is better than today.

Conclusion

In the 21st century, the intellectual landscape of social impact entrepreneurship is one of disruptions, humanism and transformational leadership. In the face of mounting global crises — from income inequality to environmental collapse — social entrepreneurs have become catalysts for justice, inclusion, and systemic change. Underscore, “Social entrepreneurs are not just inventors; they are also institution builders and narrative shifters changing the conversation and the world through risk-taking driven by a purpose.

Their enterprises help establish equilibrium in societies where otherwise inertia reigns.” It is this transformative orientation that sets them apart from traditional entrepreneurs. Further posit that “The distinct mark of social entrepreneurship is not the innovation but that the innovation addresses some of society's most intractable problems, being an agent of change”. It is that fusion of empathy, pragmatism, and moral imagination that drives their creativity.” Their work not only provides economic benefits but also sociocultural healing. But the field broadly seeks policy lenses through which to see one way or another, instruments by which to measure it, and frameworks through which to analyse it, preferably over multiple years and in the real world. Institutional scaffolding needs to adapt to the hybrid models that exist between profit and purpose and innovation and inclusion.

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Conflict of Interest

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