

THE IMPACT OF RECRUITING WOMEN ENTREPRENEURS ON **REDUCING MISSION DRIFT**

*Research & Study
based on “Soochnapreneur”
Program of Digital
Empowerment Foundation,
a social enterprise in India*

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ABSTRACT

We study a social enterprise that recruits and trains micro-entrepreneurs who promote the enterprise's poverty reduction mission on one hand and have the financial independence to earn from their entrepreneurial ventures on the other. Agency problems can emerge as they deviate from the mission and focus more on their entrepreneurial activities. We study an intervention in which the social enterprise sought to achieve gender balance by exclusively recruiting women micro-entrepreneurs in half its district locations in rural India. Our difference-in-difference study shows that female entrepreneurs are more likely to align with the enterprise's mission than their male counterparts. Hence, hiring women to maintain gender parity reduces mission drift in social enterprises.

INTRODUCTION

Social enterprises can often help address persistent problems in rural areas of emerging economies, such as unemployment, poverty, and lack of access to information and government programs. While many social enterprises have hybrid business models with a dual performance objective of increasing both social welfare and financial returns, often, these organizations end up compromising on the social purpose for financial gain in a phenomenon known as mission drift (Cornforth, 2014; Doherty, Haugh, & Lyon, 2014; Santos, Pache, & Birkholz, 2015). Mission drift can be perceived as a problem due to organizational identity and scaling issues (Chambers, 2014), collaborative goal congruence (Kwong, Tasavori, & Cheng, 2017), or meeting investors' expectations (Cetindamar & Ozkazanc-Pan, 2017). We investigate mission drift occurring among micro-entrepreneurs affiliated with a social enterprise.

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The micro-entrepreneurs address small-scale needs in the local environment characterized by resource scarcity (Baker & Nelson, 2005; Welter, Mauer, & Wuebker, 2016; Zahra, Gedajlovic, Neubaum, & Shulman, 2009). They are conduits for social enterprises to accomplish their goals with minimal resources and encourage stakeholder participation in their mission (Agarwal, Chakrabarti, Prabhu, & Brem, 2020; Di, Domenico, Huagh, & Tracey, 2010). For example, a social enterprise may recruit and train a rural villager to become an entrepreneur by loaning digital equipment and other resources. Similar to social enterprises balancing their social and financial goals (Flynn, Young, & Barnett, 2015), these micro-entrepreneurs also face a dual purpose of fulfilling the enterprise's social mission and making a separate income for themselves (Haugh, 2007).

The dual goal of the micro-entrepreneur can lead to mission drift, which is an agency problem for the social enterprise. The principal (social enterprise) cannot monitor if their agents (micro-entrepreneurs)

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are working in the best interests of the enterprise or themselves (Alchian & Demsetz, 1972). The agency literature suggests that to address goal conflict and information asymmetry problems among the principal and agents, the enterprise can either measure outcomes or verify agent behavior (Alchian & Demsetz, 1972; Jensen & Meckling, 1976). For example, the social enterprise can invest in monitoring technology and administrative staff to measure the behavior-based outcomes of these workers (Eisenhardt, 1989). In addition, they can have outcome-based contracts that shift the risk to the agents and grow entrepreneurs in developing markets (Chauradia & Galande, 2015). The social enterprise can guide the independent microenterprise by implementing stronger governance mechanisms, better operations and policies, right economic incentives and financing options (Grimes, Williams and Zhao, 2019; Santos et al., 2015; Young & Kim, 2015). We suggest gender balance among micro-entrepreneurs as another potential solution to mission drift problems in a social enterprise.

While the agency literature has extensively looked at gender as a source of behavioral difference, it has been understudied in the context of mission drift of social enterprises. Given incomplete contracts, agents face a choice between aligning themselves with the principal or benefitting themselves. Drawing on gender, identity, and human capital literature (Davidsson & Honig, 2003; Hechavarría, Ingram, Justo, & Terjesen, 2012; Wry & York, 2017), we propose that increasing female micro-entrepreneurs reduces the incidence of agency problems because the female agent is less likely to exploit contractual incompleteness as compared to male agents and therefore more likely to align with the principal’s social mission. The male entrepreneur’s salient role and personal identity is likely to be relevant to commercializing their newly created venture, whereas women prefer to align their venture with social welfare (Hechavarría et al., 2012; Mirchandani, 1999; Wry & York, 2017). We propose that the highlighted gender differences cause female micro-entrepreneurs to seek more social and less financial returns than

male micro-entrepreneurs, reducing mission drift problems in a social enterprise.

We study our research question in the context of a social enterprise, Digital Empowerment Foundation (DEF). The foundation aims to connect unreached and underserved communities of India to bring them out of digital darkness and information poverty. DEF can be considered as enabling “emancipatory” social entrepreneurship by focusing on liberating poor and illiterate women, empowering them to create a sustainable enterprise and improve their financial and social standing (Datta & Gailey, 2012; Haugh & Talwar, 2016). Essentially, DEF trains and develops micro-entrepreneurs to reach out to potential customers, inform them of government programs (e.g., children’s nutrition, health insurance, and pensions for disabled or elderly people, to name a few), and encourage them to enroll. The micro-entrepreneur earns income by charging a nominal enrollment fee for preparing and submitting the required government documents for the beneficiary. Another way of earning an income is using enterprise-supplied digital equipment to pursue his or her own entrepreneurial activities, such as videography for a wedding or photocopying for a school, which is acceptable to DEF.

To study our research question, we use a natural experiment, an empirical approach that has been increasingly used in strategy research to study various organization-related outcomes (Lee & Puranam, 2017). In early 2018, DEF implemented a major change of bringing in significantly more female micro-entrepreneurs to achieve gender equality and empower women. Our study examines the effects of DEF’s intervention to add more female micro-entrepreneurs in four of its seven district locations. We analyze the social welfare and financial returns of treatment and control district locations before and after the intervention.

We attempt to fill two main gaps in the literature and in the process make our theoretical and empirical contributions. First, we examine how females

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understand the needs of the marketplace, in that they see opportunities to uplift themselves and others because of their ability to understand day-to-day crisis (Urbano, Ferri, & Noguera, 2014). Such familiarity gives them an advantage in allocating appropriate government programs for beneficiaries and positively impacting society. Next, we add to the existing literature on explaining the strategic aspects of intended and unintended social outcomes for a social enterprise (Zhou, Ge, Li, & Chandrashekar, 2020). While intended to reduce gender gap (Nicolas & Rubio, 2016), an unintended consequence of achieving gender balance was addressing mission drift; this emerged as a novel solution that has not been examined in the literature. In the next sections, we explain our theory and hypotheses, bring in the novel empirical setting and natural experiment, and then discuss our results and conclusions.

2. THEORY AND HYPOTHESES

Social entrepreneurs are individuals who have businesses that attend to problems that are largely neglected in powerless segments of society. Unlike commercial entrepreneurs, social entrepreneurs may be more open to intentionally replicating their ideas rather than protecting it, essentially to increase impact and value creation as opposed to value capture (El Ebrashi, 2013; Santos, 2012). There is also scope for social entrepreneurs to focus more on their own earnings within a social enterprise. We posit that a micro-entrepreneur's gender yields insight into his or her personal identity, human capital, and risk averseness that can explain his or her alignment with welfare of the social enterprise or commercial returns of their own (El Ebrashi, 2013; Santos, 2012; Wry & York, 2017).

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Entrepreneurship has been viewed from an identity perspective (Cardon, Wincent, Singh, & Drnovsek, 2009), in which roles in society and tradition matter (Mead, 1934; Stryker, 2000). Social identity influences behavior of individuals and their perception of self-worth and holding identities that are inconsistent with society's role expectations can lead to negative outcomes (Stets & Burke, 2000; Thoits, 1991). Women are traditionally expected to be caregivers and men as breadwinners (Berdahl & Moon, 2013). Unlike for men, if women are working, they are expected to generate work-family synergies (Ljunggren & Kolvareid, 1996; Powell & Eddleston, 2013). Women also seek to pay more attention to serving the community rather than only economic indicators (Anna, Chandler, Jansen, & Mero, 1999), such as showing compassion and offering emotional aid (Campbell & Lee, 1990). Therefore, consistent with their care-giving role, female micro-entrepreneurs may be more pro-socially motivated, a key element of social entrepreneurship, to help other female beneficiaries with their problems (Grimes, McMullen,

Vogus, & Miller, 2013; Mair & Marti, 2006). Within the role of a micro-entrepreneur, the female entrepreneur can accomplish this goal by simply focusing on the social welfare of the social enterprise.

Despite stringent screening, it may be difficult to discern the commitment of the micro-entrepreneurs to the enterprise, in which case entire investments can get wasted if the entrepreneur leaves or drifts to appropriate higher rents (Hegde & Tumlinson, 2020). Firm-specific digital equipment allows entrepreneurs to overcome resource access and “evaluative bias” problems, and such lowering of systemic barriers helps women more than men (Castellaneta, Conti, & Kacperczyk, 2020). Therefore, women may be more inclined to invest in firm-specific human capital than general human capital compared to men (Coff, 1997; Chadwick, 2017). Also, the combination of equipping women entrepreneurs who identify with the social enterprise’s mission with firm-specific digital equipment may motivate female micro-entrepreneurs to engage in more pro-social and organizational citizenship behaviors (Crotts, Dickson, & Ford, 2005). Combining our above logic that female micro-entrepreneurs identify more with social causes and are more likely to invest in social enterprise-specific human capital than male micro-entrepreneurs, we predict:

H1. District locations with more female micro-entrepreneurs will have higher social welfare.

Entrepreneurship may involve significant risk-taking (Liles, 1974), a characteristic often associated more with men than women (Croson & Gneezy, 2009; Gupta, Turban, Wasti, & Sikdar, 2009; Hechavarria et al., 2012). First, men are less concerned about the hazards of a business, while women largely prefer not to become involved in situations with uncertain outcomes when financial gains are involved (Brindley, 2005; Buttner & Rosen, 1988; Sexton & Bowman-Upton, 1990). Women entrepreneurs generally have less business experience and are less likely to engage in innovative behaviors than men (Aldrich, 1989; Loscocco, Monnat, Moore, & Lauber, 2009).

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As a result, female micro-entrepreneurs may seek to run smaller and safer businesses with less ambition to grow, which limits their potential economic performance (Marlow & McAdam, 2013; Poggesi, Mari, & De Vita, 2016).

Second, these differences in risk-taking behavior are largely due to a combination of individual and situational differences, not necessarily task familiarity-based differences (Byrnes, Miller, & Schafer, 1999; Powell & Ansic, 1997). An experimental study by Booth, Cardona-Sosa, and Nolen (2014) find that women take more risk in an all-female training class, but that risk-taking decreases considerably when the class has a mix of men and women. Even as an entrepreneur, women prefer a more balanced workload and stable financial security (Van Gelderen et al., 2008), often a characteristic associated more with employees than entrepreneurs (Chauradia & Galande, 2015).

“An experimental study by Booth, Cardona-Sosa, and Nolen (2014) find that women take more risk in an all-female training class, but that risk-taking decreases considerably when the class has a mix of men and women.”

From this logic, women may be less likely to engage in entrepreneurial activities, given the hazards and uncertain outcomes associated with this behavior. Also, drawing on our human capital and identity logic from above, female micro-entrepreneurs are less likely to invest in general human capital investments, crucial for earning greater income, and less able to engage in entrepreneurial activities that are inconsistent with their image and fundamental expectations from society (Harrison, Ashforth, & Corley, 2009). This leads to our second hypothesis:

H2. District locations with more female micro-entrepreneurs will have lower financial returns.

3. EMPIRICAL SETTING

In our study, the micro-entrepreneurs are men and women starting their own social ventures in a rural context, often supported by a larger social enterprise. Digital Empowerment Foundation (DEF) is a large, non-profit social organization whose goal is to connect difficult-to-reach and under-privileged villages in India. DEF was funded by Qualcomm, a large multinational corporation creating semiconductors, software, and services related to wireless technology. In addition, DEF collaborated with the European Union, a political and economic partnership among several countries in Europe and one of the largest donors for poverty eradication.

“ DEF started a rural-based entrepreneurship program called Soochna-preneurship. Soochna stands for “information” and was aimed at facilitating the sharing of information on government-sponsored programs and entitlements for those living in rural communities. ”

DEF started a rural-based entrepreneurship program called *Soochna*-preneurship. *Soochna* stands for “information” and was aimed at facilitating the sharing of information on government-sponsored programs and entitlements for those living in rural communities. The Indian government has several welfare programs for the poor and marginalized, and for groups in society, such as women, children, and backward castes. Some examples of such programs are free health insurance for those living in poverty, financial and resource assistance for a widow’s daughter’s marriage, school fee reimbursement, and scholarship for female youth. For instance, the Atal Bihari Vajpayee Child Health and Nutrition Mission is a government program whose goal is to eradicate malnutrition and improve children’s nutritional status. The program accomplishes its goals by first identifying underweight and malnourished children through healthcare camps and then rehabilitating them in district hospitals that provide supplements and other treatments. The program costs approximately 9,000 INR (or \$120) per child beneficiary.

DEF supplies their micro-entrepreneurs with digital equipment and a multilingual mobile application and

trains them on how to use the equipment and the app to facilitate access to government programs and information services to enroll potential beneficiaries. DEF acts like a franchisor by helping micro-entrepreneurs find a location, set up their business, and train them in how to run it so that its business model can be replicated to have a greater reach for its social mission (Volerie & Hackl, 2010).

In early 2018, DEF recruited more female micro-entrepreneurs to tackle the low ratio of females to males, a major change from its earlier approach and one of DEF's missions to achieve gender equality and empower women. DEF trained more women in three branch locations in the districts of Alwar, Guna, and Ranchi, our treatment group. DEF did not intervene in the other three branch locations in Bargarh, Barmer, and West Champaran districts, which became our control group. Also, a newly opened district location (Barabanki) trained only female micro-entrepreneurs and was added to the treatment group. All seven locations are designated economically backward districts in India and have similar socioeconomic profiles. Our level of analysis is these seven district locations of DEF, which are spread across India (see Figure 1).

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FIGURE 1 Districts of the natural experiment

DEF's criteria for selecting districts for the treatment group were ease of accessibility by road and areas with less rainfall to reach out to and visit female micro-entrepreneurs around the year. Once the districts were identified, based on an initial survey that indicated that women were open to exploring entrepreneurship, areas within the districts (panchayats) were randomly picked for the intervention. The women needed more support due to their lack of experience and confidence, and therefore dedicated coordinators were assigned to handle the intervention so that female micro-entrepreneurs could seek advice and guidance from seniors already in the ecosystem. While the proportion between women and men was achieved across locations after the intervention (4:6), the intervention resulted in the treatment group (7:3) being distinct from the control group (1:9). Analysis shows that before the intervention, there was no statistical difference among the dependent variables.

“ Having multiple treatment and comparison groups and longitudinal data with pre-intervention and post-intervention measures makes the results more dependable and robust. ”

A natural experiment occurs when the intervention implemented is (1) not under the control of the researchers, (2) independent of the evaluation, and (3) may not be randomized due to ethical, political, and social reasons (Leatherdale, 2019). These experiments are frequently used in social work and can be quite advantageous if properly designed (Meyer, 1995). Having multiple treatment and comparison groups and longitudinal data with pre-intervention and post-intervention measures makes the results more dependable and robust (Leatherdale, 2019; Meyer, 1995). The fact that entry conditions are less stringent than randomized control trials (RCTs) somewhat reduces the biases associated with their external validity. The current study meets the above conditions of a natural experiment.

4. DATA, SAMPLE AND ECONOMETRIC MODELS

We use data from the in-house developed multilingual mobile application that the micro-entrepreneurs use to enter enrollment data for their clients. DEF monitors the micro-entrepreneurs and evaluates them based on the number of rural villagers they register and enroll in government programs in order to reduce insufficient effort (moral hazard) and free-riding (misappropriating resources). To verify the accuracy of the data, district coordinators frequently visit the locations and connect with local enrollees to confirm enrollments as well as self-reports of their income.

The micro-entrepreneurs are required to charge based on DEF guidelines so that poor villagers can afford it. They strictly cannot take or give bribes. It is often for these reasons that villagers work with the micro-entrepreneurs rather than government-designated agents; though the formal service charge of micro-entrepreneurs is higher than that of the government agent, the informal bribes are relatively higher for the agent. Further, a formal agreement is signed between the micro-entrepreneurs and DEF, in which there are non-negotiable clauses, such as no bribery, which, if breached, can lead to termination of the contract. In a few cases, the micro-entrepreneurs expanded their business significantly and started generating employment in the region by hiring local villagers.

We received the mobile application data in a mix of English and Hindi. One of the co-authors translated, interpreted, and validated the accuracy of the data with DEF's support. The data collected is from 2018 to 2019. We have data on the demographics of the micro-entrepreneurs (such as age, gender, caste, and religion) and the monthly earnings based on

enrollments fees for government programs and using digital equipment for their discretionary income. In addition, we have data related to welfare programs linked against each beneficiary and the status of whether the application is approved, pending, or rejected. Knowing the monetary amount associated with each program, we can calculate the social welfare or welfare amount each micro-entrepreneur can generate for their beneficiaries.

4.1 Empirical strategy

To examine the impact of the intervention on recruiting more female micro-entrepreneurs, we use a difference-in-difference (DID) approach on our two dependent variables, namely social welfare and financial return, and on the constructed variable: mission drift indicator. We estimate an ordinary least squares model with district fixed effects and include year and month fixed effects in addition to our control variables. We also estimate the regressions on the subsample data after dropping the first six months of post-intervention data (due to training of female micro-entrepreneurs) in the treatment districts on social welfare and financial returns.

The first six months after the intervention can be considered a learning and adjustment period for the newly-recruited women micro-entrepreneurs. For example, the newly recruited women did not have the government identity cards that are required for applying for the various welfare programs. Hence, they had a revenue-sharing arrangement with the senior male micro-entrepreneurs in the blocks in which they operated. While the women micro-entrepreneurs registered the beneficiaries, gathered information about the programs they would need to apply for, and collected the required details, the senior male micro-entrepreneurs would take the applications to the block offices and submit them using their government IDs. For this, they used to take 30% of the fees from the female colleagues who they were helping. This arrangement did not

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continue beyond six months, when female micro-entrepreneurs started working independently. We take a subsample excluding the first six months after the intervention to test the impact of these trained female micro-entrepreneurs, a more accurate comparison group.

4.2 Variables

The data allow us to have measures of social welfare and financial returns. We measure social welfare as a three-month average of the welfare amount micro-entrepreneurs can generate for the beneficiaries from enrolling them in government programs. The welfare amount includes monetary and non-monetary benefits of the program as well as savings from beneficiaries not having to lose their daily wage from taking a day off to travel and submit documents to the government office. We measure financial return as a three-month average of the discretionary income that the micro-entrepreneurs were able to earn for themselves through standard and innovative usage of digital resources at their disposal. Examples of generating business includes photocopying, digital photography/ videography, online form filling, and digital training, to name a few. Seeking financial returns at the cost of the social welfare is a form of mission drift. We construct the *mission drift indicator* as a proportion of financial returns to total returns (sum of financial returns and social welfare). It indicates drift, as a higher value indicates the micro-entrepreneurs are focusing more on their financial earnings than the social welfare of beneficiaries.

To employ the DID method to test our hypotheses, we create an indicator variable *Treatment* equal to one for observations in districts where the intervention happened, and variable *Post* which is given a value of one for observations related to periods after an increase in female ratio in the treatment districts. An interaction variable, *Treatment X Post*, captures the intervention effects of increasing the ratio of female micro-entrepreneurs and is our main variable of interest.

“The data allow us to have measures of social welfare and financial returns.”

We have longitudinal data with repeated observations for twenty-four months. We use a fixed effects model by including dummy variables for branch offices that are in districts that have a unique culture and language. The constant inflow and outflow of micro-entrepreneurs every month creates a variation in the number of women across each district, hence we control for *Female-to-Total Ratio* and *District Office Size*. Religion and caste are very important parameters in rural India (Manimala, 2003), and we control the proportion of *Hindu*, *Muslim* and *Christian* micro-entrepreneurs as well as the proportion of *Scheduled Caste*, *Scheduled Tribe*, and *Other Backward Caste* micro-entrepreneurs in each district. We also control for *Enrollment Count* or the number of beneficiaries since by adding female micro-entrepreneurs, DEF may be tapping into new networks that otherwise may not have existed.

5. RESULTS

Social welfare range from zero to 6.3M INR (~\$84K) because there is significant variation in values associated with the welfare schemes themselves, ranging from 200 INR (\$2.67) for membership applications to 1M INR (~\$13K) for an overseas scholarship. The average monthly income for the micro-entrepreneurs is 1,119 INR (~ \$15), which is similar to a farmer and slightly less than a government employee in rural India. The micro-entrepreneurs' age ranges from the early 20s to early 30s. In terms of religion, Hindus are predominant, followed by Muslims and Christians. More than half of the micro-entrepreneurs belong to the 'other backward caste' (OBC), a marginalized community that has historically faced oppression and social isolation, especially in rural India. There is no information about any transgender micro-entrepreneurs, indicating that possibly they still are not part of mainstream society in rural India. No two variables are highly correlated with each other aside from the Hindu and Muslim proportions. These two religions are quite distinct and would typically not co-exist in Indian society, which accounts for the strong negative correlation.

Table 1 shows the coefficients of the regression for each model. We predict that district locations with more female micro-entrepreneurs will have higher social welfare and lower financial returns than those with more male micro-entrepreneurs. Model 1 shows that treatment districts, on average, generate 4.5M INR more welfare than the control districts. In Model 2, we run the regression on the subsample data, and the increase is 7.1M INR. These results are expected since the subsample does not include the initial six months of learning, making the average social welfare of Model 1 lower than that of Model 2. For our following hypothesis, the coefficient of the interaction variable shows that financial returns in treatment districts are lower than in control districts by 2,167 INR. In the subsample, the decrease in amount is 3,590 INR. Thus, these results support both hypotheses.

“Model 1 shows that treatment districts, on average, generate 4.5M INR more welfare than the control districts. In Model 2, we run the regression on the subsample data, and the increase is 7.1M INR.”

Table 1. Summary of main regression results

	Social welfare		Financial return		Mission drift indicator	
	(1)	(2)	(3)	(4)	(5)	(6)
	Entire sample	Subsample	Entire sample	Subsample	Entire sample	Subsample
Treatment X Post	4495.5** (1472.72)	7117.3** (2286.63)	-2167.5* (999.29)	-3590.4* (1607.74)	-0.832* (0.34)	-1.793*** (0.42)
Post Dummy	188.9 (303.97)	358.5 (608.45)	374.8 (210.9)	349.4 (427.71)	-0.0621 (0.07)	-0.165 (0.11)
District Office Size	-1.006 (20.92)	-40.03 (29.38)	14.80 (14.36)	25.26 (20.69)	0.00437 (0.00)	0.00751 (0.00)
Female-to-Total Ratio	-7213.3** (2409.79)	-10084.8** (3450.48)	2466.4 (1634.44)	4245.5 (2423.94)	0.811 (0.56)	2.297*** (0.63)
Enrollment Count	1.899 (2.86)	-0.681 (4.56)	1.290 (1.91)	-0.0228 (2.90)	-0.000078 (0.00)	0.000285 (0.00)
Micro-entrepreneur Age	88.80 (47.48)	141.0 (78.4)	-64.86 (32.90)	-155.6** (55.23)	-0.00784 (0.01)	-0.0359* (0.01)
Hindu Proportion	14516.9 (9746.96)	135.5 (12412.48)	-11343.7 (6762.93)	-7023.6 (8759.93)	-8.811*** (2.29)	-5.742* (2.29)
Muslim Proportion	12900.3 (10162.18)	-1332.6 (13688.74)	-7856.2 (7048.08)	-3828.1 (9657.98)	-9.303*** (2.39)	-6.214* (2.52)
Christian Proportion	18803.8 (11398.27)	71.00 (18148.74)	-13462.8 (7902.11)	-11652.9 (12814.15)	-11.63*** (2.68)	-8.609* (3.35)
SC Ratio	-4906.5* (2071.34)	-3315.8 (3448.91)	1422.5 (1433.52)	-2140.8 (2425.59)	1.430** (0.48)	1.004 (0.63)
ST Ratio	-2906.6 (2326.9)	-709.3 (3041.45)	-3674.9* (1613.46)	-4226.2 (2144.90)	0.817 (0.54)	0.669 (0.56)
Other Caste Ratio	1265.0 (2198.3)	3920.4 (4246.00)	183.6 (1524.70)	-1508.0 (2998.38)	1.267* (0.51)	0.751 (0.78)
Constant	-15762.4 (9678.63)	-3888.7 (12454.98)	13275.6 (6713.46)	12844.5 (8779.38)	8.854*** (2.27)	6.799** (2.30)
N	126	78	128	80	126	78
R ²	0.572	0.631	0.458	0.446	0.542	0.741

Beta coefficients shown and standard errors below in parentheses. Statistical Findings Key: * p < 10%, ** p < 1%, *** p < 0.1%

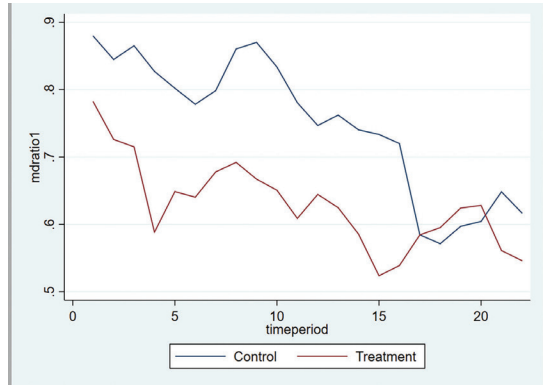


FIGURE 2 Mission drift indicator in treatment and control districts

We predict that the mission drift indicator should decrease in district locations with more female micro-entrepreneurs. Models 5 and 6 show that the mission drift indicator is lower in treatment districts than in control districts. Treatment districts are 83.2% less likely to drift in Model 5; in the subsample, treatment districts are 179.3% less likely to drift in Model 6 (see Figure 2). We also tracked the progress of each micro-entrepreneur from joining to study the effect of time on their focus on enrolment fees and financial return. The results indicate that men seem to perform better than women on both enrollments and financial returns; however, they are relatively better at earning financial returns than enrolment fees. On the other hand, women tend to focus more on enrolling beneficiaries than gaining financial returns. Due to their inclination, male micro-entrepreneurs tend to focus more on financial returns than enrollments, thereby inducing mission drift.

6. DISCUSSION AND CONCLUSION

Gender has been under-studied in the context of mission drift in social enterprises. We find that hiring more female micro-entrepreneurs may not only address gender parity issues but also increase social welfare over the entrepreneur's own financial returns, thereby aligning more to the enterprise's mission of serving the underserved. In other words, micro-entrepreneurs in the treatment group tend to increase their earnings by serving others as opposed to earning for themselves. To the best of our knowledge, this paper is one of the first empirical studies linking gender and mission drift, contributing to the social entrepreneurship literature.

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To better comprehend our results, we had informal chats and conversations with 14 male and female micro-entrepreneurs from the control and treatment areas. We understand that, in the minds of the women micro-entrepreneurs, affiliation with the social enterprise gives self-identity a different meaning and adds another dimension. A woman's status was that of a non-entity before, and she would only be referred to as someone's wife or daughter. They not only acquired an identity after joining the social enterprise and supporting themselves, but other women also looked up to them as role models. This makes the female micro-entrepreneurs appreciate the opportunity and become morally devoted to and dedicated to the social enterprise's goals and ideals. Due to their communal nature, they can also spread information among other women and elderly beneficiaries. Since many of the government welfare programs target this population, the women micro-entrepreneurs are able to generate more welfare than their male counterparts. The main motto of the women is service. Men micro-entrepreneurs want to serve and earn, whereas women solely want to serve, appreciating any income obtained by serving society.

“ Micro-entrepreneurs are likely to create impact at the grass roots level and can potentially make a dent in poverty alleviation. The micro-entrepreneurs also earn for themselves, thus involving more women micro-entrepreneurs will enable rural women earn a livelihood, thereby addressing issues like gender parity and women empowerment by making them financially independent.”

Further, male micro-entrepreneurs incur setup and rent-related expenditures while female micro-entrepreneurs are allowed and encouraged to work from home, thus incurring minimal costs. This anecdotal evidence corroborates our theory about males identifying as breadwinners and why they focus more on generating income. On the other hand, women will have a natural propensity to focus more on enrolling beneficiaries based on their identity as a caregiver. Given the growth in working from home due to the current pandemic, this option may be a better option for an enterprise to consider and study micro-entrepreneurs in identical environments.

The female micro-entrepreneurs were also mentored due to their inexperience; such mentoring may have helped develop their focus on social welfare and adhere to the enterprise-specific mission. The female micro-entrepreneurs may be more amenable to mentoring as this is their first exposure to life outside their homes. Since we do not have sufficient experienced female micro-entrepreneurs, we cannot predict if they would be more inclined to earn for themselves. We also do not know if the same results would occur had new male recruits been mentored by their male or female senior micro-entrepreneurs, or if new female recruits had been mentored by female seniors. Such studies can be taken up as field experiments in controlled environments to have a nuanced understanding of the interaction among the two genders. We may also consider studying the behavior of senior micro-entrepreneurs after the intervention and identify randomization at the individual-level of mentors.

Our findings can have managerial and policy-level implications. Micro-entrepreneurs are likely to create impact at the grass roots level and can potentially make a dent in poverty alleviation. The micro-entrepreneurs also earn for themselves, thus involving more women micro-entrepreneurs will enable rural women earn a livelihood, thereby addressing issues like gender parity and women empowerment by making them financially independent (Blundel & Lyon, 2015). Just as female participation in workforce

“With greater emphasis given to social responsibility, enterprises can make better and informed decisions on allocating jobs to balance gender and achieve optimal outcomes. Impact investors may also fund more female social entrepreneurs, ensuring firms have an optimal representation of both genders.”

is dependent on level of development of the country and variables like culture and social norms (Nicolas & Rubio, 2016), more participation of women micro-entrepreneurs can impact those very variables in a positive manner at a macro level.

Women also tend to pursue work-family synergies (Powell & Eddleston, 2013): if they do well in work, it is likely to impact their families positively, e.g., an earning female may reduce domestic gender discrimination, such as among children: the girl child might get an equal share of nutrition and may not be asked to drop out from school. With greater emphasis given to social responsibility (Wang, Tong, Takeuchi, & George, 2016), enterprises can make better and informed decisions on allocating jobs to balance gender and achieve optimal outcomes. Impact investors may also fund more female social entrepreneurs, ensuring firms have an optimal representation of both genders (Cetindamar & Ozkazanc-Pan, 2017).

Increasingly, a need is being felt about the role of management research in tackling societal and global problems in developing nations, such as gender parity, access to information, poverty alleviation, and economic growth (Joshi, Neely, Emrich, Griffiths, & George, 2015). This shift away from exclusive commercial gains has seen the rise of social enterprises (Alvord, Brown, & Letts, 2004; Zahra et al., 2009). Social enterprises have their own challenges, and mission drift is widely recognized as one that inhibits the scaling up of these enterprises. Social enterprises that can immediately address gender parity problems may be able to tackle not only mission drift but also significantly make progress in addressing issues like human capital development, women empowerment, and rural entrepreneurship.

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THE IMPACT OF
RECRUITING WOMEN
ENTREPRENEURS ON

REDUCING MISSION DRIFT

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