

**Assessment of Impact of Cultural Capital on Sustainability
of a Social Enterprise - A Case Study**

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Abstract

Social enterprises are firms that combine entrepreneurial and innovative practices with both social and economic impacts and are often considered to be hybrid organizations by blurring the lines between nonprofit and private sectors. Cultural capital exemplifies a person's education, intellectual skills, cultural knowledge, style, dress, speech that help in achieving more power and higher social status in the society. Business sustainability is a process of managing the triple bottom line - profits, people and planet. The purpose of this paper is to analyze the link between cultural capital and sustainability of small social enterprises in Pune. A qualitative case study approach was used with a purposive case and selecting a non-probabilistic technique. The firm's cultural capital based on values and beliefs underpins development of livelihood opportunities for the grassroots, conservation of environment and heritage and creation of social value for the community.

Keywords: India, SMEs, social enterprises, Cultural capital, Sustainability, case study, Pune

Introduction

Social enterprises are firms that combine entrepreneurial and innovative practices with both social and economic impacts and are often considered to be hybrid organizations by blurring the lines between nonprofit and private sectors (Dees 1998; Canadian Centre for Social Entrepreneurship 2001). Social enterprises have become an increasingly important field of study in many academic faculties and researchers are interested to understand and interpret the contradictory features of the organizational form (Di Domenico et al. 2010).

Cultural capital exemplifies a person's education, intellectual skills, cultural knowledge, style, dress, speech etc. that help in achieving more power and higher social status in the society. According to the theory of Pierre Bourdieu, there are three main forms of cultural capital: embodied, objectified, and institutionalized ("The Forms of Capital" (1986))

Holistically, Sustainability entails all the three perspectives— economic sustainability (Banerjee, 2001; Dyllick and Hockerts, 2002; Fowler and Hope, 2007) as well as environmental and social issues (Dyllick and Hockerts, 2002; Dunphy et al., 2003; Van Marrewijk, 2003; Young and Tilley, 2006). Every enterprise is required to enhance social and human welfare, decrease their ecological footprint along with achieving organizational goals (Sharma, 2003) for sustainable value creation.

Plastic is a hazard to the atmosphere. Increasingly plastic garbage is being produced by the industry and household now-a-days. This eventually ends up in landfills, ocean, and animal body or as toxic fumes in the environment.

Aarohana EcoSocial Developments was founded on the belief that bottom-up development can only be sustainable. They work on two core areas like "Enabling Rural Livelihoods" and "Conserving our Environment and Heritage." Inspired to their belief, Aarohana has pioneered a model of "upcycling" the plastic waste into handicraft. This process is based on weaving of waste plastic with a traditional charkha and handloom. This innovative process helps to create employment to the local tribal families. Aarohana engages its consumers and partners in this EcoSocial development process, to create a RESPONSIBLE economy!

Research objectives and methodology:

Our paper revolves around responding to some fundamental research questions:

- How is cultural capital assessed?
- How does cultural capital impact sustainability in a social enterprise?

For doing this, we used a qualitative case study approach (Yin, 1994, 2003; Fayolle, 2004). Case study methodology “a research strategy that focuses on understanding the dynamics characterizing specific contexts” (Eisenhardt, 1989) benefits a qualitative method and ongoing action-oriented research to illustrate, explain and elucidate the dynamics of business situations in an evolutionary outlook. Using a non-probabilistic technique (Neuman, 2000) and selecting a purposive case (Saunders et al., 2003) we opted for Aarohana EcoSocial Developments as it is:

- Established in the territory;
- a small-sized firm located in Pune
- An enterprise whose process is rated “of high environmental impact.”

Data analysis:

Our analysis relied on data retrieved from interviews with the entrepreneurial team, in the form of semi-structured questionnaires, observation during visits, company web site documents (content analysis) and printed documentary sources viz. Socio-sustainability reports, newspaper clippings, brochures, and other promotional materials.

Semi-structured interviews: The main method of data collection entailed a total of 12 semi-structured interviews with the founders, mentors, artisans, craftsmen and marketing interns. The non-standardized interviews assured that the respondents are fully involved and that there was a buffer for non-prescriptive answers. (Kvale, 1996)

Annual reports and other external communication tools: the enterprise code of conduct, ethical code and sustainability reports were all analyzed along with the company web site, press releases and other documents.

Field observation: the company was visited to note the observation about regular business operations.

After data retrieval based on grounded theory, an iterative coding process was introduced. Initial codes were derived from interviewee statements about how they perceive cultural capital of the firm and its impact. Simultaneously, sustainability practices were analyzed in terms of intangibles and their link with value creation.

With more interviews, the consolidated codes were aggregated and categorized in open to axial coding. Theory was created from observation and data and by comparing intuitions with factual data and the literature review to interpret the findings. A comparative analysis was introduced to resolve disparities. Clarification was sought from the respondents wherever this was not possible.

Results & Discussion

The author used a case study to find how the cultural capital of a small social enterprise impacts the sustainability of the firm.

Conversion of Cultural Capital

According to the literature review, possession of large amounts of cultural assets, as relevant experience and education, can facilitate the conversion process of cultural capital (Shaw et al 2013; Davidsson & Honing 2003). and the findings indicate that the social enterprise have also converted their acquired cultural assets into other capital forms.

Conversion of cultural capital to economic capital

The higher education, knowledge and skills of the founders and mentors have helped them in approaching investors, selling their eco-friendly idea; translate a sense of hope to the employees. In addition, their expert advice and counselling also resulted in operational and organizational development. The practical skills of the craftsmen and the artisans are considered important components that facilitate the conversion of cultural capital into economic capital.

Conversion of cultural capital to symbolic capital

Research also focused on cultural capital in the form of industry experience facilitate and promote reputation building and can be converted into symbolic capital (Beverland 2005; Bitektine 2011).

The empirical findings suggest that the cultural assets such as competencies, counselling, training and expert advices provided by the founders, board advisors and mentors can be translated into symbolic value within the social enterprise and the external players regard it as a commendable feature.

Conversion of cultural capital to social capital

Inspire of the importance attributed to cultural capital by the respondents, the findings indicate that convertibility of knowledge and skills into social capital is a difficult process for social enterprises.

Sustainability and cultural capital

The value and quality of Aarohana's products corresponds to staff quality. The fabric from upcycled plastic is being made by local weavers residing in a remote village of Dadra and Nagar Haveli. The region is considered to be a rich source of excellent artistic resources. The founder wanted to uplift the living standards of the local weavers in her native village. The firm's main office at Karvenagar, Pune employs local artisans and craftsmen who designs and manufactures trendy bags and accessories from the upcycled plastic fabric. Focusing on the artisans and craftsmen is a priority and is possible only through awareness and involvement. This creates a sustainable culture

Innovative and customized teamwork, sense of belonging, motivation, and employee satisfaction are invigorated through:

- (1) A fun working environment inspiring knowledge sharing, skill development and common policy.
- (2) Professional training and development for updating and innovating new designs and updating skills courses for quality corporate management. Besides training activities, management also attends conferences, seminars, trade fairs on sustainability issues.
- (3) Promotion strategies and Job rotation are in place in addition to productivity bonuses and economic incentives.

Contribution

The study has highlighted on an overlooked area of small and medium enterprises (SMEs) – the importance of cultural capital on sustainability of SMEs in the social sector. To the best of author's knowledge, this paper is first of its kind linking cultural capital to sustainability of social enterprises in Indian context.

Conclusion:

Findings show that the firm's cultural capital based on values and beliefs underpins development of livelihood opportunities for the grassroots, conservation of environment and heritage and creation of social value for the community. Stakeholder involvement, trust, skills and knowledge development and social involvement have also been observed due to personal value system. Cultural capital dictates the human skills and expertise development, employee commitment, staff training, motivation and traditional and modern technology knowhow and is considered to be extremely significant. The empirical material suggested that social enterprises were able to convert cultural capital into both economic and symbolic capital but not to social capital.

Aarohana applies a continuous process of Research & Development and product innovation by fusing product differentiation and environmental consciousness. Its model of recycling waste and enhancing corporate efficiency embodies Aarohana innovation process

Findings from case studies cannot be generalized statistically or tested theoretically. However, they can produce theoretical constructs, propositions and/or midrange theories (Eisenhardt, 1989; Yin, 2003). Our research is a preliminary approach to elucidate the impact of cultural capital on sustainability. In this regard, Aarohana as a B2C small-sized firm has grown over the past 4 years and motivates partners and other stakeholders to set up sustainability projects.

Research Limitations

A single case study cannot really generalize the research findings of the study.

Practical Implications

This study is relevant for all SME owners, service providers, academicians and policy makers especially in this era of globalization and changing market dynamics.

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