

Putting Phronetic Leadership in Action for Social Innovation: A Tale of Social Enterprises

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Abstract

Social enterprises envisioned to pool resources in order to meet the un-met societal needs of the marginalized community. The performance of social enterprises is usually considered as quantifiable reflected through number of projects, number of beneficiaries, loan return ratio, amount of donation etc. but the subjective measure needs to define in social context. Therefore, this study is intended to understand and explore the subjective meanings of phronesis of leaders and its role in the creation of social innovation that can ultimately lead towards economically and socially Superior Pakistan. Taking case study as qualitative research inquiry, semi-structured interviews and observations were used to explore the phenomenon of social innovation. Purposive sampling was used to select the 13 informants (board of directors and project heads) of Akhuwat foundation and Al-Khidmat (top two social enterprises of Pakistan). To analyse the data, Gioia methodology was used based on the socially constructed thoughts/views of knowledge agents. The results of the study expressed that leader of social enterprises employ his/her practical wisdom, virtue, prudence, and value judgment to address social phenomenon through innovative and sustainable solutions.

Keywords: Phronesis, Practical Wisdom, Virtue, Prudence, Value Judgement, Sustainable Drive, Social Innovation.

1. Introduction

With the growing and intensifying need of sustainable competitive advantage, organizations are striving to boost up their economic benefits characterized by tighter financial requirements (Miles & Covin, 2018). A radical and dynamic shift in management thoughts and behaviours is witnessed; from financial output to social impact to get sustainable competitive advantage (Chirico & Salvato, 2018). Among all other organizations, service sector organizations created notable contribution in society by providing wide range of innovative solutions and improved version of services for the society (Hipp & Grupp, 2015). In this regard, social enterprises as a social vehicle grasped the special attention of society to drive innovation and become capable enough to understand the community problems and give them better solutions (Alter, 2017). Practitioners and researchers are well understood that it is really difficult to achieve economic targets without focusing upon CSR activities (Kim & Reber, 2018). The literature shows that social enterprises could pave the path towards sustainable competitive and developed society by creating economic, social, emotional, psychological value/change that can be renamed as innovation in peoples' social life as a part of CSR (Jenkins, 2019).

As we know that innovation is considered as a key determinant for the survival of any business as well as social enterprises. Moreover, social innovation is considered as more abstract and multifaceted than conventional innovation adopted by commercial organizations (Phills *et al.*, 2018). This primarily become possible due to intense and strong learning capabilities, knowledge development, practical wisdom, judgment of team of social enterprises who spend their day and night to feel and understand the pain of marginalized community and put their untiring, devoting and dedicated efforts to address social challenges and inequalities within community (Mulgan, 2017). It can be better understood that government alone couldn't be able to create avenues for the whole nation that instigate the position of social enterprises in order to provide profound and noticeable improvements in community and environment (Moulaert, 2018). As partner with Government of Pakistan, social enterprises as a panacea operating on a large scale to satisfy the local needs of marginalized community by creating innovative market-oriented solutions (Roomi & Parrott, 2018).

In Pakistan, dozens of social enterprises are working as socially motivated organizations. Among all of them, Akhuwat foundation and Al-Khidmat being social enterprises having wide network in whole country with an aim to create a bond of solidarity between have and have-nots in order to develop a social system based on mutual support (Harper, 2017). Akhuwat and Al-Khidmat both as social enterprises are creating social innovation for its stakeholders as well and it requires a scholarly thoughtfulness that how Akhuwat, its leaders (senior management) use their experiential knowledge to drive social innovation in community (Bano, 2017). Up till now, the performance of social enterprises is expressed in financial terms while subjective measures and meanings of performance are still vague (Paton, 2018). This study aims at opening new avenues of measuring subjective performance of social enterprises rather than financial ratios. This study further intended to explore the rhythm of phronesis (practical wisdom, judgment, common sense) of leaders associated with social enterprises in creating social empowerment/innovation for the marginalized people of the society.

This study is purely unique as it explores role of experiential knowledge (dimension of phronesis) in making value judgment about the society needs rather than sole focus on scientific and technical knowledge of leaders. Another important feature of this study is to identify that how leaders' phronesis extends its boundaries from individual self-interest to community betterment. This study caters the perspective of Akhuwat and Al-Khidmat as social enterprises and its senior management (board of directors and project head) for social innovation. This study is helpful for academicians and researchers who are interested to view the intensity and scope of contribution done by Akhuwat and Al-Khidmat as social enterprises in the society.

2. Literature Review

This literature review covers six major sections i.e. (1) phronesis and its dimensions, (2) social innovation and its classification, (3) Akhuwat and Al-Khidmat as a social enterprise, (4) role of social enterprises in creating social innovation, (5) role of phronesis in creating social innovation (6) literature gap.

2.1 Phronesis

Phronesis is classical Greek concept introduced by Aristotle in 1941, means practical wisdom, practical know how, practical knowledge and common sense. It provides a complete framework about how individuals utilize their knowledge, experience and practical wisdom

embedded in character to sense the situation and determine the mechanism of intended actions (Eikeland, 2018). Here, phronesis explicitly fall under the umbrella of intellectual-virtue as; *Episteme* (scientific knowledge/theoretical knowhow), *techné* (technical knowledge/technical knowhow) and *Phronesis* (practical wisdom and judgment) (Noe *et al.*, 2018). Phronesis is most important intellectual virtue as it goes beyond the scientific and technical knowledge that concerns with values and interest as an ‘art of judgment’ (Pritchard, 2019). Phronetic leaders recognize and frame problems in particular context, clearly articulate it, define reasonable and multiple course of action and envisioning betterment and welfare of the society (Kinsella & Pitman, 2017). Researcher and philosophers identified that phronesis (practical wisdom, intelligence & judgment) is most important and necessary condition for the development of social enterprises who face the critical complexities of the environment and suggested the potential solutions of the community problems that are not locally and contextually satisfied (Nonaka & Toyama, 2017).

2.1.1. Classification of Phronesis

Personal phronesis refers to the self-centric activity in which individual is the unit of analysis for personal actions (Kinsella & Pitman, 2017). Phronetic person drags all his/her attention, efforts and commitment for the pursuit of self-goodness, self-quality life, quality brought-up and personal well-being. While, in political phronesis, efforts are society/community centric in which leader put all his efforts for the sake of society betterment and quality life of others. In political phronesis, community is considered as unit of analysis need to balance personal and community good (Schram & Caterino, 2016). Whereas, it concerns with the values, ethics, knowledge and experience that plays very noticeable and significant role in problem identification, problem setting, problem framing and problem solving (Birmingham, 2018).

2.1.2. Phronesis & Leadership

Aristotle (1941) defined and classified the concept of phronesis as personal phronesis as well as political phronesis. Phronetic leader should balance personal benefit as well as society benefits. While personal values, commitments and ethics shape the actions of leaders towards community, shifts paradigm from self-centric to community-centric (Shotter & Tsoukas, 2018). Phronetic leaders can be formal or informal that highlighted the extent of task framing and execution in particular context (Nonaka & Toyama, 2017). Furthermore, the phronesis of leadership guides us that why, when and how technical skills are used and how scientific knowledge and theories need to put in practice to get desired output (Smythe & Norton, 2019).

2.2. Social Innovation

Innovation builds upon basic criteria of *novelty* (something new to user or context) and *improvements* (efficient and effective than existing alternatives). Here, the term social innovation refers to the ‘collective social actions to bring social change’ among the lives of community members (Brown & Wyatt, 2018). Social innovation can be more clearly and comprehensively elaborated as; ‘novel, effective, efficient and sustainable solution to the social problems that created social value for the individual and society as well (Murray *et al.*, 2017). Social innovation can be in the form of product, process, system or technology innovation creates functional impact. It includes collective and collaborative new practices, systems, activities, processes and regulations adopted/developed to meet the social challenges that are not been currently addressed (Moulaert *et al.*, 2018).

2.2.1. Levels of Social Innovation

Social innovation can be analysed at level one-level three. First level analysis is social innovation named as intra-social group innovation related to basic norms, values, behaviours and habits of specific social group that are better depicted by culture of the society. At second level analysis, inter-group social innovation is used to define the practices and frameworks of social group living in collaborative and competitive social structures. This type of social innovation exists among the community who shared same beliefs, values, customs and traditions. Lastly the third level analysis is macro/extra group social innovations where public policies and social movements are studied at macro level irrespective of geographical and demographic boundaries (Moulaert *et al.*, 2018).

2.2.2. Types/Dimensions of Social Innovation

Social innovation is a multifaceted concept that redirects the attention of an organization from 'profit to purpose' (Moulaert *et al.*, 2018). Social innovation is the umbrella term that uncovers and unfolds the social challenges and provides the potential social solutions that can be elaborated in the form of; 1) *incentives* (social innovation determined by the principles of social inclusion and wellbeing), *empowerment* (seek to empower social actors/citizens). So overall, we can say that, twentieth century gave remarkable transition in philosophies and practices from 'self to others', from 'profit to purpose' (Alter, 2019).

2.3. Akhuwat and Al-Khidmat as Social Enterprises

Social enterprises are considered as vehicle to drive social innovation by providing innovative and sustainable solutions for the social problems. Social enterprises create values for the marginalized people of the community; value can be economic, social, emotional, physical, psychological etc. (Harper, 2017). According to the definitions mentioned as above, Akhuwat and Al-Khidmat foundation are social entities having a formal service system, evolve, and design solutions to the human challenges and opportunities for their socio-economic problems. Being a social enterprise, (Khan & Ansari, 2018). Akhuwat envisioned to alleviate poverty under the leadership of inspiring person 'Dr. Amjad Saqib' to promote the brotherhood derives the Islamic notion of 'mawakhat'. Similarly, as per the definition of social enterprise, Al-Khidmat fulfilled all the pre-requisites to serve society socially. Al-Khidmat provides social value in the form of disaster management program, educational services, health services, orphanage care program, mawakhat program, clean water services, shelter provision, Ramzan program, wheel chair distribution, prisoner's welfare, rozgar program and other community services (Kirmani, 2018).

2.4. Social Enterprises & Social Innovation

Social enterprise and social innovation are considered as siblings directed to fulfil the hopes of marginalized segment of the society (Phills *et al.*, 2018). Social enterprises are emerging and growing in developing countries like Pakistan that are intended to provide community services and socio-economic benefits for the low-income people (Bacq & Janssen, 2016). Social enterprises are enacted and developed to solve various challenges in society related to social inclusion, wellbeing and social empowerment to survive in society having self-esteem, respect, emotional and psychological stability (Khaliq *et al.*, 2018). In Pakistan, social enterprises have distinct position to provide the innovative and sustainable solutions by making profound

changes in the existing system and activities (Roomi, 2013).

2.5. Phronesis and Social Innovation

In knowledge economies, ideas and knowledge are treated as human capacity to frame and resolve the socio-economic problems of the society (Antonacopoulou, 2018). This is the era of transition that creates dynamic transform from ‘profit orientation to purpose orientation’ of the organization that creates an urge to invest in activities of corporate social responsibility (CSR) instead of striving for financial benefits (Wall, 2018). To address this apprehension, social enterprises play significant, noticeable, and remarkable contribution in creating social innovation for the marginalized people of the community. Social enterprises like Akhuwat and Al-Khidmat foundation created social innovation in the form of social inclusion, social empowerment as well as economic, social, emotional, psychological wellbeing of the individuals within the community (Harper, 2017). In order to get the sustainable competitive social innovation, it is important to highlight the role of leadership as the most important asset of the organizations in creating social innovation (McWilliams & Siegel, 2016). The practical wisdom, judgment and common sense are collectively named as phronesis and specifically experiential knowledge as a key dimension of phronesis plays a significant role in creating social innovation (empowerment) (Pedler, 2017).

2.6. Gap in the Literature

The role of phronesis is majorly explored in medical and education fields, while phronesis (practical wisdom, judgment and common sense) used by the leaders of social enterprises is under researched area that need a special attention of researchers and practitioners (Frank, 2019). In this regard, a broader perspective with reference to phronesis is adopted in the study that how leaders of social enterprises (senior management only) use their practical wisdom/experiential knowledge in making sense of the situation and how they make judgments about the social needs of the people and how they fulfil their social needs. There is another gap in the literature that social innovation and its dimensions are not properly defined and classified in the literature (Brown & Wyatt, 2018). Therefore, this study proposes to fill this gap by using the lens of phronesis in the context of social enterprises that how leaders define social innovation and how they create social innovation by using phronesis. The summary of operational definitions of the terms used in this proposed study is given in table-1.

Table 1: Summary of Operational definitions of the terms used in this study

Construct	Definition	Adopted by
Phronesis	Practical wisdom, judgment, and common sense to give novel solutions for the betterment of community.	Halverson (2004)
Social innovation • Social empowerment	Novel solutions to the social problem that must be efficient, effective and sustainable	Phills et al., (2008)
Experiential knowledge	Tacit knowledge embedded in character needed to determine and follow specific course of action	Elmore, 2015
Social Enterprises/Entity	An enterprise pursuing public benefit mission	Ereaut & Whiting (2008)
Akhuwat and Al-Khidmat as Social Entity	Social entities creating social innovation (social empowerment) for well-being of disadvantaged individuals	Author

3. Underpinning Theories of the Study

The underpinning theories of this proposed study are virtue-centred theory of judging and social theory. Virtue-centred theory of judging is normative and explanatory sort of theory that introduces the sound practical judgment as a form of phronesis to practical apply rules, routines and knowledge that fit according to particular situation (Tong, 2018). In current study, it is intended to identify the phronesis of leaders of social enterprises that can be adjustable and fit according to the context and situation of the society. In this regard, virtue-centred theory of judging is best suitable to this study as leaders use practical wisdom, experiential knowledge, and practical judgment to make the value judgments about the social needs of the marginalized people. Secondly, the best-fit theory for this propped study is social theory that focuses on social practices to create social innovation in the society. Social theory is a type of analytical theory that related its basics with social differentiation, social development and social transformation (Thompson, 2019). As the current study is intended to explore the intensity and scope of social innovation created by social enterprises, so this theory has strong theoretical link with proposed study.

4. Research Design

This study is conducted by following the relativistic school of thought, which is also named as interpretivism. Relativism view that there is no absolute truth, truth is always relative to some particular frame of reference (Garofoli & Haidle, 2014). The epistemological position of this study is subjectivism says that individuals may differ in experiencing and constructing meanings in different ways (Breckenridge, *et al.*, 2017) and meaning are co-created between researcher and individuals (Creswell & Creswell, 2017). In this regard, multiple case studies are adopted as a methodology to explore the role of phronesis of leaders affiliated with Akhuwat and Al-Khidmat foundation in creating social innovation for the betterment of the society. The interview manual is developed after conducting the literature review. By adopting multiple case studies methodology, data is collected by using semi-structured interviews (asking open ended questions) and observations method (Brinkmann, 2014) from the senior management of two social enterprises; Akhuwat foundation and Al-Khidmat foundation in their offices to create the convenience for informants. Observations are made during interviews about body language, tone of pitch, expressions & repetition of words given by the informants and field-notes were also taken to strength the data collected from the interview.

Later, the interviews are transcribed to generate textual data. For data analysis, the researcher adopted Gioia methodology which also relies on the organizational world view as socially constructed. In Gioia methodology, it is assumed that people are knowledgeable agents that can explain and construct their own thoughts, intentions, and actions and that found very much aligned with the adopted philosophical realm of this study (Gioia *et al.*, 2013). While designing data structure, 1st order, 2nd order, and aggregate dimensions from textual data to reach the essence are applied to investigate the answers of research questions with similarities and dissimilarities among codes and categories (Gioia, *et al.*, 2013).

However, there is no accurate answer about selection of sample size as it depends on theoretical saturation (Smith, 2017). While, Creswell & Poth (2017) suggested 3 to 15 informants whereas (Morse, 2000) suggested at least six informants. So, the recent study considered sample size of 10-15 informants for a relatively homogeneous population to conduct interviews from the senior management of Akhuwat foundation and Al-Khidmat foundation including board of

directors and project heads. Interviews are conducted in English, Urdu and Punjabi languages depending upon the convenience of the informants (suggested by Boddy, 2016) but interviews limited to the 13 informants due to the theoretical saturation.

The adopted sampling technique for proposed study is purposive sampling technique. As it is type of non-probability sampling in which sample is selected by the researcher on judgment basis and major focus on special characteristics of population (Robinson, 2014). The social innovation (empowerment) is the unit of analysis defined, as is the prime entity or phenomenon. The entire philosophical position, methodology, and method proposed for this study are described in table-2.

Phenomenon	<ul style="list-style-type: none"> ▪ Social innovation ✓ Social empowerment
School of thought/research Philosophy	Relativistic/Interpretivist
Nature of study	Exploratory
Ontological belief	Multiple realities/social-constructionism
Epistemological belief	Subjectivism
Methodology	Multiple Case studies
Method	Data collection techniques: <ul style="list-style-type: none"> a. Semi-structured interviews (open ended questions) b. Observations (body language, tone of pitch, expressions & repetency of words) Data analysis technique: <ul style="list-style-type: none"> • Gioia methodology
Informants/sampling frame	Senior management (Board of directors & Project Heads) of <i>Akhuwat and Al-Khidmat</i>
Sampling technique	Purposive sampling (non-probability)
Sample Size	• 13 informants from Social enterprises (<i>Akhuwat & Al-Khidmat</i>)
Unit of analysis	<i>Social Innovation</i>
Mode of Analysis	Interpretations on the base of interviews, themes and field notes
Theoretical underpinning	<ul style="list-style-type: none"> • Virtue-centred theory of judging • Balance theory of wisdom • Social theory
Source: Authors' analysis	

5. Data Analysis and Discussion

This section presented the analysis section of the paper. The interviews took from the board of directors/management and project heads (representatives of senior management) of Akhuwat and Al-Khidmat according to the interview question mentioned in interview guide. Researcher transcribed the interviews and used N-vivo 11 for initial coding and the nodes were developed in accordance with the research questions.

5.1. Profile of informants

Table 7.1 presented the profile of the respondents. The informants include senior management of Akhuwat and Al-Khidmat. The profile of respondents is given as below:

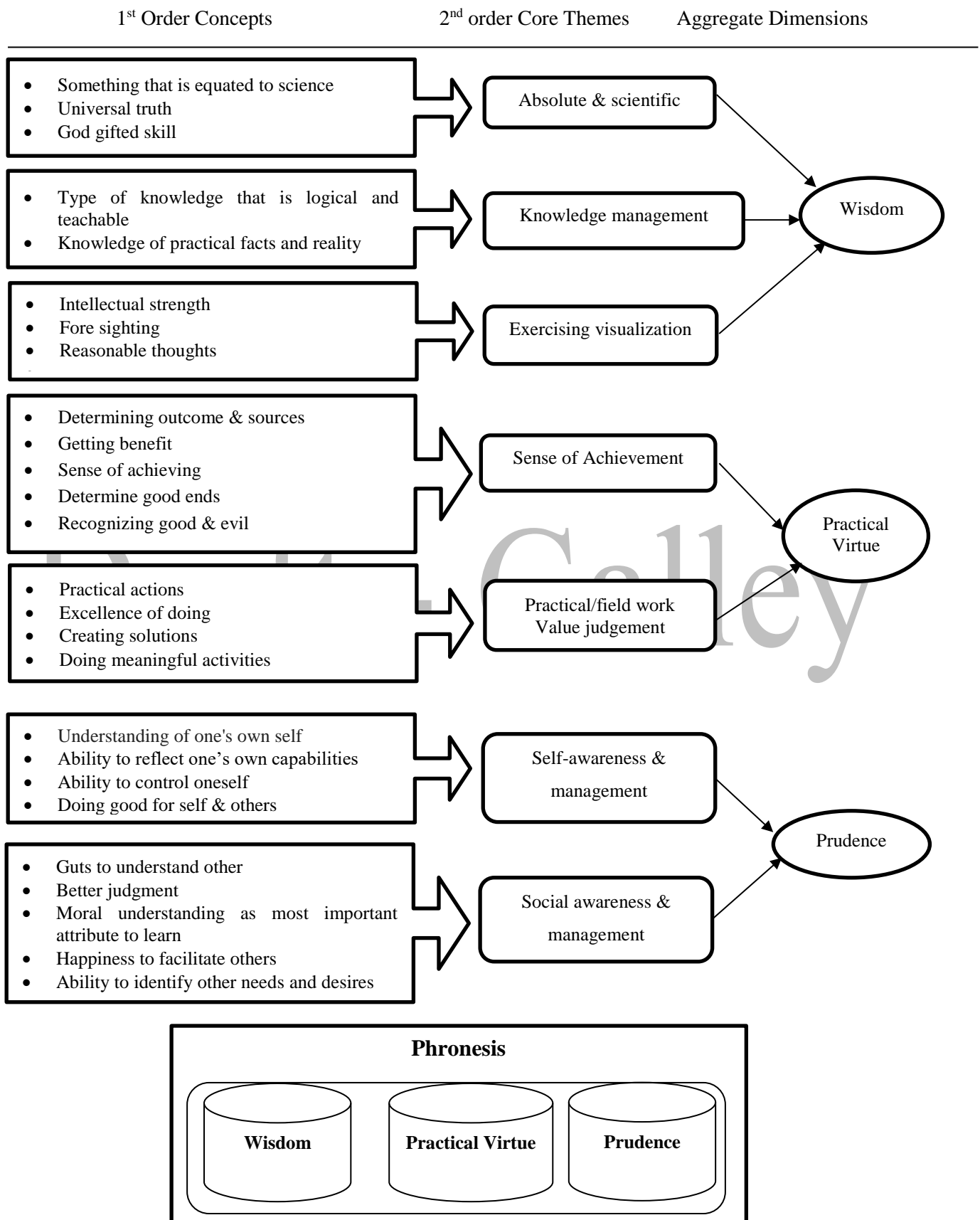
Table 7.1: Profile of informants (n=13)

Informants	Organization	Gender	Designations	Selected Project Heads for interviews
7 informants	Akhuwat	Male	<ul style="list-style-type: none"> • 2 Board of directors • 5 Project Heads 	<ul style="list-style-type: none"> • Akhuwat Islamic Microfinance • Akhuwat Education System • Khwajasira Support Program • Akhuwat Cloth Bank • Akhuwat Health Services
6 informants	Al-Khidmat	<ul style="list-style-type: none"> • 1 Female • 5 Males 	<ul style="list-style-type: none"> • 2 Board Members • 4 Project Heads 	<ul style="list-style-type: none"> • Orphan Care Program • Community Services • Education • Clean Water • Health

Researcher conducted interviews from 13 informants, 7 from Akhuwat and 6 from Al-Khidmat) as theoretical saturation reached at this level. From Akhuwat, all informants were male while in case of Al-Khidmat, only one respondent was female. The sample size includes two board of directors/members from both social enterprises and remaining were heads of different project running under the umbrella of Akhuwat and Al-Khidmat. The project heads were taken from following project; project heads of Akhuwat Islamic Microfinance, Akhuwat Education System, Khwajasira Support Program, Akhuwat Cloth Bank, & Akhuwat Health Services selected from Akhuwat Foundation and project heads of Orphan Care Program, Community Services, Education, and Clean Water & Health from Al-Khidmat. As mentioned in literature, profile of the respondents plays a significant role in expressing view point about nature of problem, level and depth of the understanding about the phenomenon and intensity of experience and involvement to solve the hidden complexities behind that specific phenomenon (Rowley, 2014). So, the profile of the respondents has been consciously specified by keeping in mind the research objectives that informants must be in leadership capacity to affect the financial and non-financial performance of the team as well as an organization.

To rejoiner the research question about the viewpoints of the leaders of the social enterprises about the phronesis, Gioia methodology is used to analyse the concepts divided into theme nodes, the child notes and parent nodes. The meanings of phronesis explained by informants are saved as theme nodes, while emerging themes are saved as child nodes and aggregate dimensions of child nodes are saved as parent node. Research pertains that leaders of knowledge economy plays a significant and remarkable contribution in team & institutional performance (Goffee & Scase, 2015). Leaders having specific knowledge, skills and experience putting forward their practical wisdom to innovate the service provision strategies of social enterprises (Noe *et al.*, 2018). It is commonly observed that people in social enterprises hold leadership positions have significant capability to intuitively handle the challenging situation that will ultimately constitute the landscape of possible solutions (Khalique *et al.*, 2018). The same meanings explained by the informants selected from social enterprises that phronesis is a scientific, absolute and universal truth that is God gifted and considered as equated to science that requires a context to bring into practice. They explained phronesis as *'You know phronesis is new term form but as per your explanation I understood that phronesis is a science that an expert person can bring into practice. It does not belong to common person; it is god gifted. If a person belonging to an institution has phronetic capabilities, he/she can change the fate of an institution.'*

Table 7.2: Meaning of Phronesis in the view of Leaders of Social Enterprises



Leaders considered it a specific type of knowledge to exercise visualization by converting facts into reality. It makes the leader frightful with significant intellectual strength in which leader is capable enough to identify the gaps in the performance of team, institution and create possible innovative solutions for them. The meanings extracted by informants as *'Phronesis leader has special type of quality to predict the future challenges, fore sighting quality with enough mature thoughts to analyse the context. They can better identify the weaknesses of his/her team; train them accordingly so that they can facilitate them according to the local need. One of the most important challenging situations for us that we are targeting the most unprivileged, poor and needy poor of the society who are mostly rejected one like transgender. Everyone insulting them, no job, no living facilities, we have to become support for them.'*

Furthermore, informants claimed it as a sense of achievement in which leader recognize the means and resources to achieve the desired outcome. He/she must be able to differentiate between good and bad initiatives. Leader has to keep himself aware about the positive and negative outcomes of the certain initiative about the marginalized community. As one of the informants said that, *'it is very important for us that being the member of social sector, we have to identify the target people and how to help them to get rid of the social or economic people. Akhuwat is an organization, which is aimed at poverty alleviation by empowering marginalized community socially and economically both. In this context, Akhuwat provides interest free microfinancing, education services, health services, cloth bank and Khwajasira support program and raise funding for above mentioned program through donation, zakat, Sadaqat etc. To bring out the money from the pockets of rich to poor is biggest achievement for us.'*

Informants entitled the phronesis as 'Value judgement and practical work' as leader must have capability to make practical contribution instead of talk with no-purpose. He/she should create innovative solutions of un-resolved and unaddressed problems of the community. In all over the world, it is commonly observed phenomenon that social enterprises transformed the social fate of the country by bring out the poor from the darkness of life. Similarly, one of the informants highlighted that *'fortunately, in Pakistan we have leaders like Abdus Sattar Edhi and Abdus Shakoor shb who dedicated their whole life in humanitarian services. Their workers, volunteers, and team put untire efforts in field to do meaningful activities for the needy in an innovative way. However, this is most unfortunate thing for us that our Government do nothing and expect lot of us from NGOs. We should have joint collaboration to transform the community, instead of criticizing each other'.*

Informant A highlighted that leaders started their social efforts to explore him/herself through reflection and introspection. Self-awareness suggested few factors to dig out the personality. The child node is based on the theme nodes of informants' discussion named as 'self-awareness and self-management' that is the most important personality trait of the phronetic leader to identify the unmet needs of the economically and socially deprived society. The same is explained by informants that *'leader is someone who has to understand one's ownself; strengths, weaknesses how to utilize strength for the benefits of others. For example, whenever, Al-Khidmat initiated new concept or ideas I must ask myself how can I help them, like when Al-Khidmat started orphan care program, and I am emotionally attached with the most innocent soul on the earth who suffered due to unavailability of parental support, So I took initiative to prepare team of volunteers including colleagues from my professional community of lawyers. This is one of my soul-connecting projects in which I invested my time, energy, finance, relations, emotions etc. Therefore, you can imagine that when your personal emotions and interest involved, you can better give output. You know, I am 100% clear about the fact'*

that every leader has good, knowledge, experience and skills but it's not compulsory that every leader can be phronetic to put personal wisdom or virtue to contribute in the life of others.

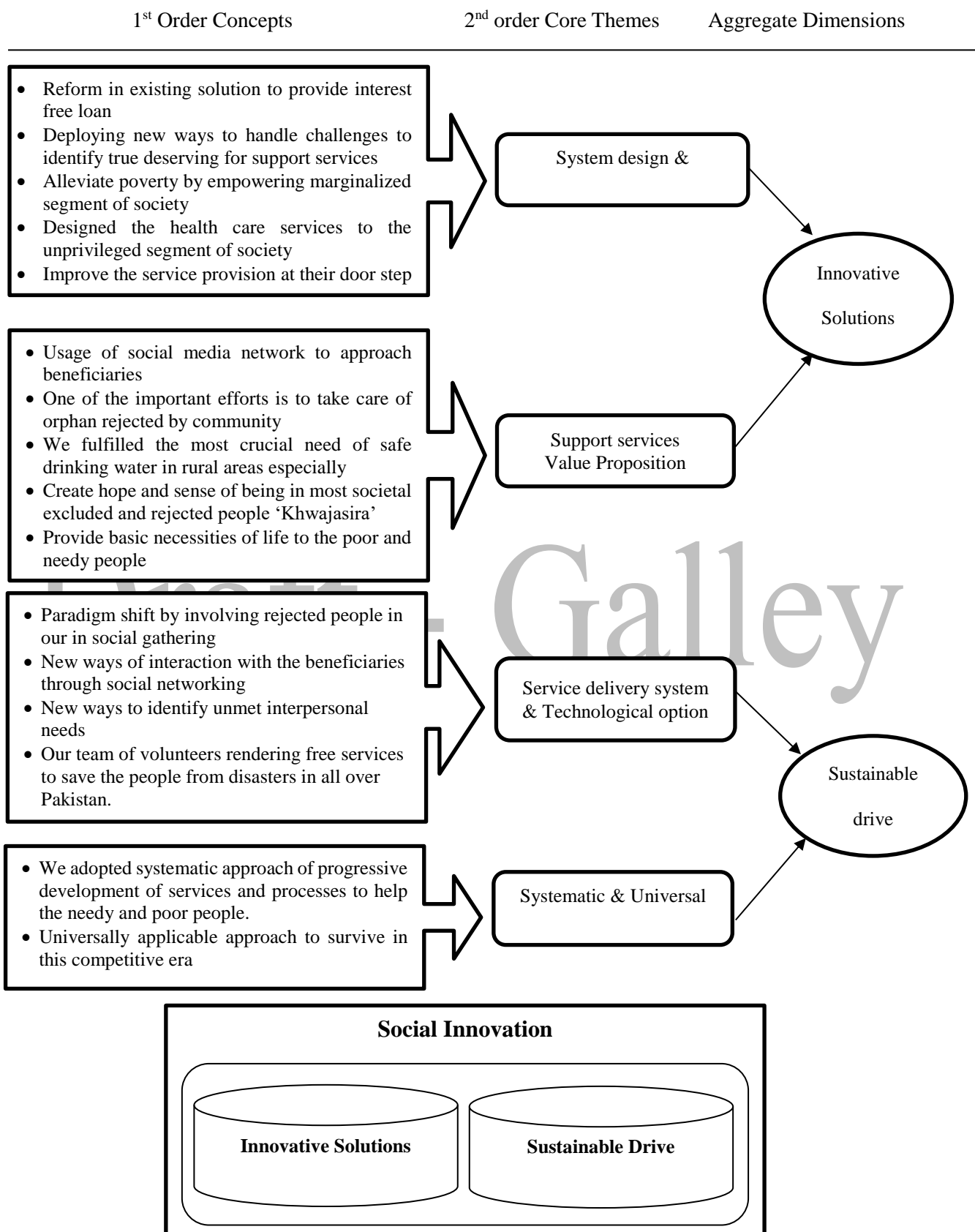
Informants expressed that along with the self-awareness and management, social awareness and social management can be an important element or dimension of phronesis that urge the leader of social enterprise to innovate the provision of services and output that ultimately create the paradigm shift in the poor. In the words of informants *'leader must have guts and capability to understand other need, we should act like pigeon who closes their eyes in front of cat, as we know that our society is full of social and economic problems and people adversely affected form it. So, we should take charge to contribute to possible extent'*. The aggregate dimensions/parent nodes; wisdom, practical virtue and prudence highlighted above can be collectively named as Phronesis (Brown & Wyatt, 2018).

This study is conducted to explore the role of phronetic leadership for social innovation of social enterprises like Akhuwat and Al-Khidmat. These two selected social enterprises play a significant role in poverty alleviation of marginalized community by empowering them socially and economically both. For this purpose, the informants were asked about their phronetic contribution in the provision of services for the targeted segment that can ultimately create social innovation. The themes extracted from the response of informants regarding their contribution and practices towards social innovation can be named as theme nodes and them make them cluster under the umbrella of child nodes; a) system designs & restructuring, b) support services & value proposition, c) service delivery system & technological advancement d) systematic & universal impact.

These child nodes are placed under two main parent nodes; innovative solutions and sustainable drive. As discussed in literature that nowadays world facing many challenges including economic, social, technological and environment. Among all those challenges, social innovation is one of the challenges that drag the attention of all from profit to purpose (Moulaert *et al.*, 2018). The term social innovation refers to the combined social efforts to address the social problems of the people by providing innovative & sustainable solutions. Social innovation can be taken the form of product, process, system or technology innovation to create significant impact in the lives of others (Brown & Wyatt, 2018). Similarly, the nodes presented above highlighted that in order to meet the dire needs of marginalized community, social enterprises modified the existing strategies to address their un-met needs in the form of interest free microfinance loan, health care facilitate, educational facility, orphan support program, Khwajasira support program, clean water facility, cloth program etc. They are deploying new ways to identify the needy segment and provide services at their doorstep.

As one of the informants mentioned that *'We used the mosques, churches and religious places to provide the interest free microfinance loan to the borrowers based on the Islamic principles that our Prophet Muhmmad PBUH used mosques for training, worship and other services. We (Akhuwat) philosophy is to promote Mawakhat, brotherhood which was seen in the time period of Ansaar and Muhajareen. Similarly, another respondent expressed that 'Al-Khidmat is serving humanity without any discrimination of caste, colour, language, faith or political affiliation. Our team of volunteer doing tireless efforts to improve the life of unprivileged segment of the society and one of our unique features is continuous innovation in our management and delivery system. We are trying to convert our borrowers into donors. Al-Khidmat is privileged to contribute in the well-being of shelter, livelihood, education, health, clean water, mosque and many more'*.

Table 7.2: Meaning of Service Innovation in the view of Leaders of Social Enterprises



Phronetic leaders feel proud to take care of the child deprived of parent support; create hope in the socially excluded and rejected people of the community like Khwajasira. They are treated as ‘Harijan’ who have no right to become the part of this so-called community. They have no jobs, no education facility; even they are deprived of basic necessities of life. They propose them value in the form of community services programs to give them basic necessities of life. The same phenomenon is explained by informants in the following words; *‘This is proud moment for us that we create hope in the socially excluded, rejected and ignored class of our unfortunate community which didn’t recognize the value of human life. Our orphan child loses the shelter of their parents, community rejected them and put them in the dustbin. Most innocent soul on the world but Alas we are not human. We are physically human but morally and behaviourally animals. I am lucky enough to be a part of this prestigious institution which took appreciable initiative to take care of orphan child, give them basic facilities of life, education and health care facilities so that they can also enjoy the beauty and happiness of life.’*

The team of social enterprises presented the sustainable drive in the form of service delivery system and technological advancement in processes. Volunteers, workers and management brings the paradigm shift in service provision practices by using the social media networks and platforms to identify the needy people, create online database for them and provide advanced education and health facilities. As informants explained that *‘In start of our journey, we faced a lot of difficulties and challenges to trace the needy people, creating network with them, connecting donor and beneficiaries, data maintenance, manual financial calculation but technological advancement resolved all our problems. Now we use software for data, social media networks to approach and connect them’.*

Lastly, it is important to highlight that to survive in this competitive and challenging world, continuous updating is necessary that can in the form of product, services, processes, systems, technology. It is complete systematic and universal process to help the needy and unprivileged segment of the community. Informants emphasized that *‘innovation can never be done by the haphazard and random activities. It needs special attention and systematic process We invested a lot of money, energy, time but all in vain. People sell out the iron of hand pumps and again the scarcity of water. So, we involved the local leader named ‘sardar’ to identify the thief and locate the most suitable place for hand pump where one of the local representatives assigned a duty to take care of it and give them a fixed amount of money for it. The amount was also collected from local people. We invested money at the start and then they people have to take care of it.’*

From the response of informants, it can be assumed that social innovation is more than theoretical scope. It is more practical that need systematic approach of getting experiential knowledge, practical wisdom to judge and identify the un-met needs of people, fore sighting about the upcoming future needs, trends and provide solutions and resources accordingly. Leaders of social enterprises having the qualities of phronetic leadership and used them as well but unaware the vocabulary word ‘phronesis’.

6. Conclusion

Innovation is widely accepted as a social phenomenon to bring innovative solutions for community’s social, economic, emotional, environmental, and psychological problems. Social enterprises play a dynamic and significant role in creating non-material and dynamic change in the lives of community by making their present better and giving them bright future. For

this, we cannot ignore the sacrifices of Phronetic leaders of Social Enterprises and many more who are named as mobile institution ready to die to comfort and console the anguished souls. To explore the role of said phronetic leaders, their wisdom, and undecaying humanitarian efforts to create the unique solution of mankind problems. The results of the study reveal that phronesis of leader is absolute and scientific truth based on practical facts and reality. It is considered as sense of judgement and achievement that can collectively be renamed as practical virtue. Phronetic leader has wisdom to differentiate between good and evil, determine sources and outcomes. The whole philosophy revolves around self and others; self-awareness, self-management, social awareness and social management. Moreover, it becomes evident that phronetic leaders create innovative solutions and sustainable drive by system redesigning and restructuring. Social leaders propose value in the form of support services and technological transformation. We can conclude that leaders of social enterprises putting their practical wisdom, virtue and prudence to address the social problems of the community in the form of innovative and sustainable solutions.

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