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Enhancing Social Enterprise Performance: The Role of Social Entrepreneurship Orientation and Business Planning

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Abstract

Social organization has become a solution to solve social problems in society. However, in developing countries, social organization is still a concern. In this study, the researchers analyze the value of social entrepreneurship orientation in boosting social companies' overall performance. Business planning as mediation is eke explored in the current study. This research examines Indonesia's most significant social enterprise, namely village-owned enterprises. The objects in the study were 250 VOE in 4 regions, namely Kuansing, Rohil, Inhil, and Meranti Regencies. Quantitative study with the survey as the instrument was used to explore this study. Therefore, the questionnaire survey was administered to VOE management, and the results were compiled. A total of 422 VOE managers participated in this study. Data analysis with the structural equation model (SEM) shows that social entrepreneurship orientation influences business planning and social and financial performance. The social performance and business planning significantly impact an organization's financial performance. Additionally, business planning is a mediator between social entrepreneurial orientation and performance and financial performance. The present study contributes to the urgency of providing entrepreneurship training and business planning to increase business success.

***Keywords**: Social Enterprise, Social Entrepreneurship Orientation, Business Planning, Social Performance.*

INTRODUCTION

Over the past few decades, academic institutions, scientific communities, the media, politicians, and people have devoted increasing attention to social enterprises (Cardella et al., 2020 and I. Ali et al., 2023). It is primarily attributable to the vital role that social entrepreneurs play in creating social change. It has been done by providing novel, game-changing solutions to challenges such as reducing poverty levels, improving the environment's state, broadening participation in political processes, and enhancing the general welfare of society (Manjon et al., 2022 ;Yunus et al., 2021). Although no standard

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definition exists, the term "social enterprise" is increasingly used to characterize business models that involve forming organizations with a defined dual mission. The two intended double missions are: fulfilling social goals while also ensuring financial viability (McSweeney et al., 2021 ;Fauzi et al., 2022). They are called hybrid organizations when they attempt to balance social value and pursue business objectives (Grossi et al., 2022 ;Bandini et al., 2023). They can also be classified as private, public, or non-profit organizations (Barraket et al., 2022;Barraket et al., 2023;Lückenbach et al., 2023). Social enterprises are more agile, fluid, efficient, transparent, and accountable than traditional social sector organizations or not-for-profits (Boehme et al., 2023 ;Yáñez-Valdés et al., 2023).

In developing countries, some research regarding social enterprise has been focused on MSMEs. It is because developing countries have scarce resources, both in terms of finances and other aspects. Therefore, the government has a significant role in financing (Chundakkadan & Sasidharan, 2020). Since 2014, the government has issued regulations to form village-owned enterprises (VOE) as social enterprises in Indonesia. VOE is a social institution that must support the community's interests by providing social services. In 2022, 60,417 VOEs will be established in Indonesia. However, of this amount, 21% of VOE is inactive and has not contributed (Kotawaringinbaratkab.go.id, 2022).

As explained by Lin et al (2021) different internal and external factors can make the social goal hard and, at the same time easy for a social enterprise. In response to this matter, the researchers think that it still needs to be done to determine how the public, private, and social sectors work together in order to create value (Scupola & Mergel, 2022). As explained by Gali et al. (2020), some further researchers need to study social entrepreneurship more, especially how well it has been organized. Thus, some previous researches show that the orientation of social entrepreneurship affects organizational performance(do Adro et al., 2021; Pinheiro et al., 2020; *Social Entrepreneurship Orientation and Company Success: The Mediating Role of Social Performance*, 2020). However, other studies have shown the opposite results(Khan & Basir, 2020).

To explain this discrepancy, some experts assume that business planning is an intermediary factor. It impacts social entrepreneurship's direction and how well social organizations do their work. (Leung et al., 2019) asserts that social companies must follow best practices, including influential business planning and evaluation, accounting and financial management, and operations management. As a result, social companies can produce more goods and services and give broader access to suit their consumers' needs (Lin et al., 2021; Gali et al., 2020). Furthermore, the social mission will increase the intention to buy social enterprise products which will affect the profitability of social enterprises. This study was conducted on social organizations, namely village-owned enterprises (VOE) in Indonesia.

However, previous research on social organization mainly concentrates on social enterprises in Europe and the United States already in their growth or maturity stages (Rajah et al., 2022; Hussain et al., 2023). As a result, researchers and strategy practitioners require assistance locating information about social businesses in developing regions, where the majority are still in their infancy or development stages (Nasir et al., 2019;Rosca et al., 2020). Based on this, research related to social business is still an interesting and crucial topic because it will impact sustainable development that supports several aspects, such as social, economic, and environmental aspects.

This study's overarching goal is to investigate and analyze the effect of a focus on social entrepreneurship on existing social organizations' social and financial outcomes. This study also investigates the role of business strategy as a mediating factor. In conclusion, the mediation effect of social performance between social entrepreneurship and financial success is explored.

LITERATURE REVIEW

This study uses the resource dependency theory (RDT) by (Aldrich & Pfeffer, 1976) to explain the relationship between variables. Resource Dependency Theory is an idea that comes from sociology. The theory of RDT views a phenomenon in which an entity, in the context of a provider of goods & services, requires specific resources to carry out the activities of that entity. Therefore, it becomes dependent on these resources (Ralston et al., 2023). Based on this theory, entities bring changes to their external environment. By doing that, they can use assistance and enable entities to be concern (Rajah et al., 2022). This theory is based on several assumptions that organizations must carry out transactions with other entities to obtain resources; from these transactions. It is then seen that the relationship between dependence on a party and then the ability to provide these resources results in a significant difference in market power (Ambulkar et al., 2023). This study uses a social entrepreneurship orientation that can influence business planning and organizational success (Ameer & Khan, 2022).

The Effect of Social Entrepreneurship Orientation on Performance

An entrepreneur in a social enterprise must have a social entrepreneurial orientation to achieve organizational success. Entrepreneurs are innovative, dare to take risks, and are proactive. Knowledge of entrepreneurship and creative abilities play a crucial role in identifying prospects for sustainable development (Ramadani et al., 2022). Entrepreneurs' capacity for innovation in a company is essential in assuring the organization's continued viability and being able to compete to improve services. It will have an impact on the achievement of social goals, which will ultimately increase business profits (*Social Entrepreneurship Orientation and Company Success: The Mediating Role of Social Performance*, 2020). According to RDT theory, social entrepreneurial orientation is an internal resource determining organizational success. In line with research (Naderi et al., 2019; Halberstadt et al., 2021; Basri et al., 2022) that social entrepreneurship

orientation influences organizational performance. Based on this, the hypothesis is
H1: Social entrepreneurship orientation influences financial performance
H1b: Social Entrepreneurial Orientation affects social performance

Effect of Social Entrepreneurship Orientation on Business Planning

The Resource Dependence Theory (RDT) posits that the likelihood of a company or organization's long-term success is contingent upon its capacity to obtain and sustain necessary resources effectively (Aldrich & Pfeffer, 1976). In the context of social or not-for-profit institutions, the theory justifies transforming from conventional charitable organizations entirely Relying on financial support to transition from dependent to financially autonomous models is crucial in mitigating power dynamics with funders, such as governments and foundations and ensuring long-term effectiveness and viability (Gillespie et al., 2023). Therefore, a good business plan is needed for a social and financial mission. Planning in the organization depends on the resources that make up the plan. Proper planning for social organizations needs to be prepared by managers with a social mission of social innovation who are proactive and dare to take risks. Managers must be accountable to the social organization following social goals(Masud et al., 2019). A study Haira et al (2022) proves that the orientation of social entrepreneurship affects business planning in health organizations. Based on this, this study also suspects that social entrepreneurial orientation influences business planning in social enterprises.
H2: Social entrepreneurship orientation influences business planning

The Effect of Business Planning on Performance

Planning for the business is critical to the organization's management and decision-making (Mansoori & Lackeus, 2020). As a result, social enterprises can utilize coordinated strategic planning with various implementation technical approach forms dependent on the requirements of social enterprises. Consequently, social businesses are allowed to use coordinated strategic planning in conjunction with various implementation technical approach forms., dependent on the requirements of the social enterprises. To correctly manage a business and achieve the vision and goal of the company, businesses need to manage and control their corporate resources effectively (Kamaludin et al., 2022). The corporation must have a business plan for this. By adopting business organizing social events and enhancing social performance, social businesses can collect crucial resources for their organizations while controlling running costs (Tian et al., 2022). Based on previous studies findings, it can be sum up that business planning changes how an organization does (Haira et al., 2022). Therefore, the researchers formulate the hypothesis as follows:
H3a: Business planning affects social performance
H3b: Business planning affects financial performance

Effect of Social Performance on Financial Performance

Let's pretend a firm takes environmental and social responsibility seriously. The satisfaction of both employees and customers will rise as a result., and the company's standing, but it will also result in more group consumers, more sales, and a net beneficial effect on the company's bottom line, In other words, corporate social responsibility must ensure both internal and external customers are happy (Bocean et al., 2022). Previous research on social performance related to a financial arrangement (Lu et al., 2018;Basri et al., 2022; Basri et al., 2023). As a result, the following theory is advanced:
H4. Social performance affects financial performance

Business Planning Mediation on the relationship between social entrepreneurial orientation and performance

Based on the resource-dependent (RDT) theory, the managerial social entrepreneurship orientation is an organizationally owned asset to enhance the company's performance. The path of social entrepreneurship produces managers who are more innovative, willing to take risks and proactive in various contexts, and capable of appraising opportunities as they present themselves (Mbiru et al., 2023). However, this must be complemented by effective managerial abilities in resource management and use. Business planning serves as an organizational tool for managing these resources. Planning may be prepared with social entrepreneurship skills by analyzing firm competencies and commercial prospects. Social and economic objectives will be considered in business strategy. This study is backed by previous research (Haira et al., 2022). This demonstrates how business planning influences both social entrepreneurial orientation and organisational effectiveness.
H5a. The impact of social entrepreneurial orientation on social performance is mediated by business planning
H5b. The impact of social entrepreneurial orientation on financial performance is mediated by business planning.

Social Performance Mediates the Relationship Between Social Entrepreneurship and Financial Performance.

During the development, social entrepreneurship consists of a group working together to create a business opportunity and gain as much company profit as possible (*Social Entrepreneurship Orientation and Company Success: The Mediating Role of Social Performance*, 2020). Until now, no strong opinion has explained all social enterprises. The conflict between the logic of social and economic values can be solved by taking a social entrepreneur's approach and looking for business opportunities that positively affect society and make money for the company (*Social Entrepreneurship Orientation and Company Success: The Mediating Role of Social Performance*, 2020). The social value proposition explains that social entrepreneurship provides social value related to economic growth (G. A. Ali et al., 2020). A hybrid company focusing on social entrepreneurship should have high financial performance. The

company's strategy needs social entrepreneurship work to add value to the business(*Social Entrepreneurship Orientation and Company Success: The Mediating Role of Social Performance*, 2020). The company thinks that by focusing on social entrepreneurship. Therefore, it will achieve better social performance and make money (Armstrong & Grobbelaar, 2023). In response to the previous explanation, the researchers sum up that:
H5c. Social entrepreneurial orientation affects financial performance through social performance.

METHODS

In this study, social businesses are referred to as (VOE). This research was carried out in several places, such as in Kuansing, Rohul, Meranti, and Inhil Regencies of Indonesia's Riau Province make up the study's population. The number of VOE recorded is 650 VOE. To find out the sample, the researcher used a stratified random sample, with the variables of interest classified as either "basic," "developing," or "advanced." Therefore, the respondents in this study were VOE managers, namely directors, secretaries, treasurers, and unit heads. Each VOE sent five questionnaires.

To collect the data for the current study, the researcher used a questionnaire survey as the primary data. The respondents filled out the questionnaire in two ways (hybrid): directly and through the Google form. Respondents who filled in directly meant they came to the research location. As for the respondents who filled out via the Google form, it meant they could not come directly to the research location.

Financial performance is measured using indicators of Profit rate, income growth rate, Productivity level, and capital increase; the questionnaire was adopted from Basri et al (2022). Social performance is measured using Loyalty, Employee Satisfaction, Community Satisfaction, Market Share, and Reputation indicators. The questionnaire was adopted from Basri et al. (2022). Social entrepreneurship orientation is measured using indicators of Social Innovation, Proactivity, Risk Taking, Social Mission, practical orientation and sustainability orientation (Basri et al., 2022). Besides, business planning is measured using indicators of planning implementation, planning evaluation, and partnerships (Haira, 2022). Additionally, each indicator is measured using a 5-point Likert scale, starting from point 1 = strongly disagree to 5 = strongly agree.

The Partial Least Squares (PLS) technique implemented in SmartPLS was used to analyze the data. Partial Least Square (PLS) can do more than only verify the theory. It can also shed light on whether or not latent variables are related. As a result, studies predicated on PLS results are better suited to statistical analysis. Thus, Partial Least Square (PLS can also be used to explain whether there is a relationship between unknown factors. During the testing step of PLS, the outer model is tested for validity and reliability. The testing of the inner model, including the fit model and hypothesis testing.

RESULTS AND DISCUSSION

During the research implementation, a total of 750 questionnaires were given out, with the samples consisting of 250 B UMDEs, a total of 422 completed. The questionnaires were gathered and analyzed, representing 56.3% of the total. Therefore, Table 1 explains the descriptions of the various variable descriptive statistics.

Table 1. Descriptive Statistics

	N	Minimum	Maximum	Means	std. Deviation
Social Entrepreneurship Orientation	422	8	40	32.69	5.302
Business Plan	422	4	20	16.17	2,625
Financial Performance	422	4	20	15.83	2,756
Social Performance	422	8	40	32.90	4,793
Valid N (listwise)	422				

According to the table, descriptive statistics show that the standard deviation value is below the mean value, indicating no large deviations in the data. Next is the test result using PLS analysis.

Outer Model test results

The outer model test aims to determine how latent factors and their indicators are related. The PLS Algorithm method is used to test this outer model. Validity and reliability testing are used to measure the analysis part of the outer model. There are two different kinds of validity tests that are carried out. These are convergent validity and discriminant validity. A loading factor is used in convergent validity tests. If an indicator's loading factor value is more than 0.7, then the indication can be considered legitimate. However, for development research, a loading factor > 0.5 can still be used(Hair et al., 2010). Table 2 shows the results of tests of convergent validity.

Table 2. Outer Model Testing Results

	Indicator	Loading Factor	Cronbach Alpha	Composite Reliability	AVE
Social Entrepreneurship Orientation	SEO. 1	0.816	0.903	0.922	0.596
	SEO.2	0.830			
	SEO.3	0.737			
	SEO.4	0.701			
	SEO.5	0.796			
	SEO.6	0.746			
	SEO.7	0.769			
	SEO.8	0.775			
Financial Performance	FP. 1	0.887	0.857	0.904	0.704
	FP.2	0.910			
	FP.3	0.846			
	FP. 4	0.696			
Social Performance	SP. 1	0.814	0.902	0921	0.593
	SP.2	0.813			
	SP.3	0.727			
	SP. 4	0.733			
	SP. 5	0.749			
	SP. 6	0.786			

	SP. 7	0.786			
	SP. 8	0.746			
Business Plan	BP. 1	0.882	0.861	0.907	0.709
	BP. 2	0.895			
	BP. 3	0.859			
	BP. 4	0.721			

As mentioned in Table 2, the loading factor has a value greater than 0.7; one indicator has a value of > 0.6. It indicates that convergent validity is met. The construct variance average value shows a value of > 0.5, meaning convergent validity can also be met(Hair et al., 2010). Furthermore, testing the discriminant validity using the correlation between latent variables compared to the square root of AVE(Fornell & Larcker, 1981). The results of the test are shown in Table 3 below:

Table 3. The correlation between Fornell and Larcker's Latent Variables

	SEO	FP	SP	ZBP	Adjusted R Square
SEO	0.772				
FP	0.441	0.839			0.494
SP	0.485	0.676	0.770		0.336
BP	0.346	0.472	0.470	0.842	0.118

Discriminant validity shows that the AVE square root on the diagonal line has a higher correlation than the other variables. The AVE square root of business planning 0.842 has a higher value than social performance 0.470, financial performance 0.472, and social entrepreneurship orientation 0.346. The square root of Ave's social performance is 0.770, higher than the correlation of financial performance of 0.676 and social entrepreneurship orientation of 0.485. The square root of AVE's financial performance is 0.839, higher than the social entrepreneurship orientation correlation of 0.441. The results show that discriminant validity is met (Fornell & Larcker, 1981). Reliability testing using Cronbach alpha and composite reliability (Table 2) shows a value of > 0.7. It shows that the variable has good reliability (Hair Jr et al., 2021)

Inner Model Test Results

Test results for the fit model

R square and modified R square (Table 3) show how well the model fits. The adjusted R square value of financial performance is 0.307. It means that all exogenous SEO, BP, and SP constructs affect financial performance by 30.7%, while other factors affect the additional 69.3%. The adjusted R square social performance value of 0.515 indicates that all exogenous SEO and BP constructs affect social performance by 51.5%, and other variables influence the remaining 48.5%. The adjusted R square value of business planning is 0.118, indicating that all SEO exogenous constructs affect business performance by 11.8%, and other variables influence the remaining 88.2%. Chin classifies the R Square values 0.67, 0.33, and 0.19 as belonging to the strong, moderate, and weak categories, respectively (Chin, 1998). Furthermore, the fit model criteria are also indicated by the SRMR and NFI values shown in Table 4

Table 4, SRMR and NFI

	Estimation Models	Criteria	
SRMR	0.062	< 0.08	Suitable
NFIs	0.836	0-1	Good

The measured correlations minus the implied correlation matrix model is SRMR. Thus, the absolute measure of model fit is the average difference between observed and anticipated correlations. 0.1 or 0.08 (Henseler et al., 2014). NFI indicates model fit. The NFI value 1 indicates that the model is improving (Lohmöller & Lohmöller, 1989).

Hypothesis Test Results

Figure 1 and Table 5 display the path coefficient and P values used to test hypotheses.

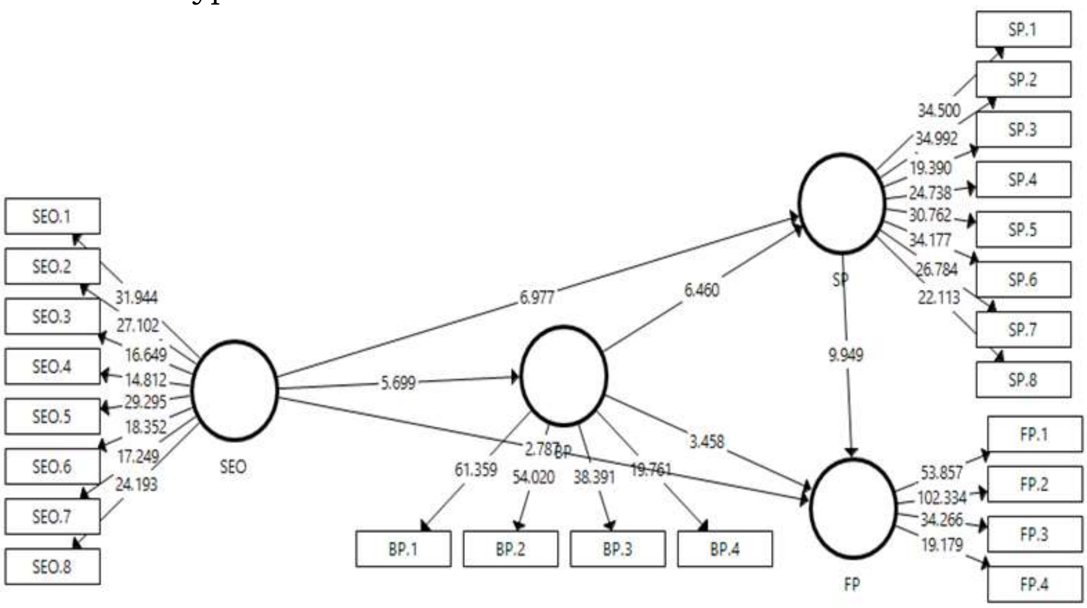

Figure 1. Full Structural Equation Model

Table 5. Mean, STDEV, T-Values, P-Values

	Original Sample (O)	Sample Average (M)	Standard Deviation (STDEV)	T Statistics (| O/STDEV |)	P Values
SEO -> FP	0.121	0.121	0.043	2,787	**0.006**
SEO -> SP	0.366	0.370	0.052	6,977	**0.000**
SEO -> BP	0.346	0.351	0.061	5,699	**0.000**
BP -> SP	0.343	0.340	0.053	6,460	**0.000**
BP -> FP	0.180	0.182	0.052	3,458	**0.001**
SP -> FP	0.533	0.531	0.054	9,949	**0.000**
SEO -> BP -> SP	0.119	0.120	0.029	4,099	**0.000**
SEO -> BP -> FP	0.062	0.064	0.022	2,824	**0.005**
SEO -> SP -> FP	0.195	0.197	0.033	5,880	**0.000**

Note: Significance < 0.05

The results of hypothesis testing can be explained as follows:

1. The results of testing H1a, namely the orientation of social entrepreneurship affects financial performance, show a P value of

0.006 (<0.05) and a path coefficient of 0.121, indicating that hypothesis 1a is acceptable.

2. The results of the H1b test, namely social Entrepreneurship Orientation, affect social performance showing a P-Value of 0.000 (<0.05) and a path coefficient of 0.366, which indicates H1b is acceptable.
3. The results of the H2 test, namely the orientation of social entrepreneurship influences business planning, has a P value of 0.000 (<0.05) with a patch coefficient of 0.346 which indicates H2 is acceptable.
4. The results of the H3a test, namely, business planning has an effect on social performance, has a P value of 0.000 (<0.05) with a path coefficient of 0.343 which indicates that H3a is accepted.
5. The results of the H3b test, namely business planning, affect financial performance, showing a P value of 0.001 (<0.05) with a path coefficient of 0.180 which indicates H3b is accepted.
6. The results of the H4 test, namely, social performance affects financial performance, have a P value of 0.000 (<0.05) and a path coefficient of 0.533, which indicates hypothesis 4 is accepted.
7. In support of H5a, the test findings show a P value of 0.000 and a path coefficient of 0.119, indicating that business planning moderates the connection between social entrepreneurial orientation and social performance.
8. The results of the H5b test, namely business planning, mediate the effect of social entrepreneurial orientation on financial performance as indicated by a P value of 0.005 (<0.05) with a path coefficient of 0.062 which indicates hypothesis 5b is acceptable.
9. The path coefficient of 0.0195 and P value of 0.000 (<0.05) for the test of Hypothesis 5c show that it is supported that social performance mediates the influence of social entrepreneurial orientation on financial performance.

The results of this investigation demonstrate that the orientation of social entrepreneurs affects their social and financial returns. It is possible to relate a social entrepreneur's level of success to their capacity for creative problem-solving and the development of unique solutions to intractable societal problems. Due to its social nature, the main goal of social entrepreneurship is more towards the results of ideas and innovations made, whether they can positively impact society, but in the end, will bring profits. The current study is also evidenced by data on several VOE managed by managers with a high social entrepreneurship orientation and VOE in the advanced category. They can meet societal and organizational expectations for generating business income opportunities. One of the social businesses that helps the community in social enterprises is the people's market. The community is helped by a market offering lower prices, and the organization will also benefit from market fees with these market services. The study's findings bolster the RDT theory that a socially entrepreneurial mindset is key to a company's development from within. In line with research field (Naderi et al., 2019)(Halberstadt et al., 2021)Basri et al., 2022) that social entrepreneurship orientation influences organizational performance

The test results also show that social entrepreneurship orientation influences business planning. Entrepreneurs who have a high entrepreneurial orientation can make good business plans. Business planning is actions or steps to be taken when starting a business. Business actors need the right planning components so that social enterprises can be accountable for their social and financial goals. The data shows that social entrepreneurs with good planning manage some social organizations in the advanced category. These results also support (Tortia et al., 2020) that the innovation and creativity of social entrepreneurs encourage them to do business planning well. This research is also in line with the RDT theory asserts that organizational survival is highly dependent on the ability to prepare (Aldrich & Pfeffer, 1976). The results of the study prove that the orientation of social entrepreneurship affects business planning(Haira et al., 2022b)

Business planning has been shown to alter social companies' financial and social outcomes. Coordinated strategy planning using various implementation technical approach forms is available to social enterprises to meet their unique requirements. Proper business planning can direct organizations' steps to achieve their social and financial goals. Data on VOE with an advanced category have done good planning; this is also contained in the budgeting. Proper business planning can optimize resources within the organization to achieve its goals. The current study also supports the Raids that aid in the organization will impact organizational achievement. Some previous research results support (Tian et al., 2022) (Haira et al., 2022b) (Babatunde & Sanusi, 2020) (Gumel, 2019) explain that business planning affects financial performance as well as social performance. In addition, Business planning is an internal resource.

The study's results prove that social performance also influences financial performance improvement. Data shows that VOE, active in providing social services to the community, has a higher income level than VOE, which still needs to be involved. It is appropriate(Lu et al., 2018) that a company's bottom line will benefit from its commitment to environmental and social responsibility in the long run through more excellent repeat business and referrals from satisfied customers and workers. It also has a positive impact on the company's economic performance.

Previous studies on social performance had discussed financial performance (Lu et al., 2018 ;Basri et al., 2022). The findings demonstrate that social entrepreneurs can improve their social and financial outcomes by strategically organizing their businesses. These studies prove that social entrepreneurship and strategic planning are intrinsically linked. Good business planning has an impact on social performance and financial performance. Based on the resource-dependent theory (RDT) theory that the orientation of managerial social entrepreneurship is an organizational resource capable of carrying out good planning to achieve the social enterprise's mission. These conclusions are supported by this study's results (Haira et al., 2022) which establish strategic planning as a link between social entrepreneurship and business results.

Furthermore, the findings also indicate that the social entrepreneurial approach affects financial performance via social performance. Entrepreneurs with a social mission are considered social entrepreneurs. The achievement of the social mission, namely service to the community, has an impact on public trust, increasing trust, which in turn has an effect on improving the economy(Lu et al., 2018). Socially conscious business owners, according to these studies (Gali et al., 2020 ;Basri et al., 2021), actively seek out chances to benefit society and their companies financially. The conflict between social and economic principles can be eased through these actions. The social value argument states that businesses emphasizing social good create social value and financial gain (G. A. Ali et al., 2020).

While it is possible to disprove any hypothesis, the hypothesis that strategic business planning improves social and financial performance has not been tested in this study. The effect of social entrepreneurship orientation on financial success was also mediated by business planning and social performance, for three mediating effects. Therefore, an analogous analysis can be conducted in subsequent studies.

CONCLUSION

The findings demonstrate that a social entrepreneurial mindset affects social and financial outcomes. It also indicates that a focus on social enterprise affects strategic planning. Social and financial performance are two areas where business planning can significantly impact. Besides, business strategy has been shown to moderate the connection between a social entrepreneur's outlook and their bottom line. Not only that, the relationship between social performance and financial success among social entrepreneurs is mediated by social performance.

Furthermore, this study has several shortcomings. Based on the finding, it does not investigate whether or not social performance acts as a mediator in the connection between company strategy and financial performance. Thus, the current study was only carried out in one category of social organizations. Therefore, it is only possible to generalize some social organizations. Future research can develop research on broader social organizations. The R square in this study is also still low, namely 0.494 (49.4%) for financial performance. It means that 50.6% of other variables still need to be examined in this study. In addition, further research can develop other variables, such as organizational learning (Waruwu et al., 2020).

The implications of the current study support the RDT theory (Aldrich & Pfeffer, 1976) that organizational internal resources can help organizational success. Practically this study contributes to the importance of having a social entrepreneur orientation to develop organizations and the importance of doing business planning well.

Therefore, it is necessary to conduct training for social entrepreneurs in their businesses.

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