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Social Entrepreneurship and Enterprise Development: Moderating Role of Sustainable Entrepreneurial Competence of SMEs Managers in Lagos State, Nigeria

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Abstract

There is an increasing pursuit of innovative concepts in sustainable development and social entrepreneurship that extend beyond mere economic growth to include global social impact, enterprise development, and environmental sustainability. Despite the rising acknowledgment of its importance, the divide between the theoretical and practical aspects of social and sustainable entrepreneurship remains unaddressed. This research aims to bridge that gap by investigating the effects of social entrepreneurship on enterprise development, as well as the moderating influence of sustainable entrepreneurial competence among SME managers in the Lagos metropolis. A cross-sectional survey design was utilized to gather data from 362 participants selected from a pool of 400 social entrepreneurs and managers through a convenience sampling procedure. A structured questionnaire, incorporating validated scales for social entrepreneurship, enterprise development, and sustainable entrepreneurial competence, was employed for data collection. Using regression analysis, three hypotheses were tested. The results indicated that social entrepreneurship dimensions collectively exert a significant influence on social enterprise development, with the governance dimension demonstrating the most substantial effect. Furthermore, sustainable entrepreneurial competence significantly impacts social enterprise development; however, it does not serve as a significant moderating factor in the relationship between social entrepreneurship and social enterprise development. The study positions its findings within the context of the TBL theory and highlights recommendations to enhance SME managers' sustainable entrepreneurship competence and promote social enterprise development.

Key Words: Enterprise Development; SMEs Managers; Social Entrepreneurship; Sustainable Development; Sustainable Entrepreneurial competence

1. Introduction

Entrepreneurship serves as a pivotal force for national economic advancement, particularly through the role of small, and medium enterprises (SMEs). These entities play a crucial role in stimulating economic activities and promoting growth within various countries (Bajdor, Paweloszek, & Fidlerova, 2021). Historically, the success of entrepreneurial ventures has been assessed mainly through profitability, with businesses focusing on improving their financial performance to maintain market competitiveness. Nevertheless, there is a growing acknowledgment of the significance of social and

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environmental goals within the entrepreneurial framework. This evolution signifies a more comprehensive understanding that entrepreneurship transcends mere economic objectives, acting as an essential catalyst for social and ecological progress, which is vital for the realization of Sustainable Development Goals (SDGs) (Danil & Fordian, 2022).

Entrepreneurship is widely recognized for its contribution to job creation and economic advancement; however, it also presents a variety of challenges. Entrepreneurs who exhibit resilience and passion can achieve significant financial and non-financial benefits, highlighting the importance of sustainable entrepreneurship for the success and growth of enterprises (Mohd, Mohd, & Badli, 2023). This framework advocates for a holistic approach to business that values not only financial success but also social justice, environmental responsibility, and the welfare of future generations (Dhahri & Omri, 2018).

In recent years, the global conversation around sustainable entrepreneurship has intensified, with practitioners and scholars acknowledging the necessity for business models that foster long-term sustainability (Bocken et al., 2020). Efforts to encourage sustainable entrepreneurship have become increasingly essential, as they offer structures for incorporating economic, social, and environmental factors into business operations (Al-Mashari & Zairi, 2019). Nevertheless, a significant gap remains, especially in developing countries such as Nigeria, concerning the characteristics and elements that support sustainable entrepreneurship. Although entrepreneurship is frequently seen as a driver of social transformation, there is still a lack of thorough understanding regarding the challenges that hinder the development of sustainable enterprises (Kuckertz & Wagner, 2010).

This research aims to fill existing gaps by investigating the influence of social entrepreneurship on enterprise development in Lagos State, Nigeria, while also considering the moderating effect of sustainable entrepreneurial competence among managers of small, and medium enterprises (SMEs). The motivation for this study arises from several critical issues: the lack of standardized definitions and frameworks in the field, limited awareness of sustainable practices, misconceptions surrounding social enterprises, and the difficulties in incorporating social entrepreneurship into educational programs. Additionally, external challenges such as insufficient capital, volatile exchange rates, inflation, and inadequate government support further complicate these issues. The study has two primary objectives: first, to evaluate the effects of social, economic, behavioral, and governance factors

on enterprise development; and second, to investigate the moderating influence of sustainable entrepreneurial competence on the relationship between social entrepreneurship and enterprise development.

The importance of this research is highlighted by the increasing acknowledgment among global businesses of the necessity for social and environmental responsibility. However, the success of sustainable entrepreneurship initiatives is frequently hindered by ambiguities in its definitions and dimensions. By clarifying the relationship between sustainable entrepreneurship and enterprise development in Nigeria, this study seeks to offer practical insights that can help reconcile theoretical concepts with real-world applications. Ultimately, the results may guide policymakers and business leaders in creating an environment that supports sustainable enterprise growth, thereby enhancing the overall impact of entrepreneurship on national development.

2. Literature Review

2.1 Conceptual Review

2.1.1 Social Entrepreneurship

Social entrepreneurship embodies a transformative strategy that combines business expertise with a mission-oriented focus to tackle urgent social, environmental, and cultural issues. This approach is especially crucial for Small, and Medium Enterprises (SMEs), which frequently act as significant catalysts for economic growth and job creation across various economies. By embracing the principles of social entrepreneurship, managers of SMEs can make meaningful contributions to sustainable development while addressing essential societal challenges (Dees *et al.*, 2019).

Fundamentally, social entrepreneurship is characterized by the capacity to recognize and capitalize on opportunities that create social value through innovative and sustainable business methodologies (Nga & Shamuganathan, 2010). In contrast to conventional entrepreneurship, which mainly focuses on maximizing profits, social entrepreneurship aims to achieve a balanced integration of economic goals with a dedication to social impact. This requires SMEs managers to formulate strategies that align profitability with social, environmental, and governance (ESG) sustainability (Mair & Marti, 2009).

The core principle of social entrepreneurship is the generation of value through innovative resource combinations that aim to promote social change and meet recognized social needs (Bl'anda &

Urbancikova, 2020). This value generation can be undertaken by organizations of varying scales, ranging from small businesses to large multinational corporations. The social mission that defines social entrepreneurship is highlighted by well-articulated social values or objectives that steer its activities. As noted by Kamaludin, Xavier, and Amin (2021), social entrepreneurship is distinguished by three fundamental characteristics: social innovation, accountability, and sustainability. These traits manifest as social entrepreneurs capitalize on available opportunities and implement creative solutions, even when resources are limited.

The aspects of social entrepreneurship include a variety of factors, such as social, economic, environmental, and governance elements, which illustrate its diverse influence on society (Kamaludin *et al.*, 2021). By incorporating these aspects, social entrepreneurship not only tackles pressing societal issues but also promotes enduring, sustainable solutions that are advantageous for both the community and the broader economy.

Social Dimension: The social dimension of social enterprises is fundamentally anchored in a dedication to social innovation and a robust social mission that seeks to tackle pressing challenges such as poverty alleviation, education, and healthcare, all of which are essential components of the Sustainable Development Goals (SDGs). By prioritizing marginalized and disadvantaged populations, these enterprises not only encourage self-reliance but also stimulate job creation, particularly in times of economic hardship (Arend, 2020).

This social mission is marked by a spirit of altruism, embodying a profound sense of fulfillment and an aspiration for greater accomplishments (Kuznecova, 2016). Social enterprises play an active role in community development, which enhances value creation and contributes to their long-term sustainability. By steadfastly pursuing their social objectives, these organizations remain competitive and relevant within the marketplace.

Additionally, social responsibility initiatives are integral to their operations, ensuring that they contribute positively to the communities they serve. The formation of strong networks among social entrepreneurs is vital for operational efficiency and effectiveness, promoting collaboration and resource sharing.

Moreover, the social dimensions within these enterprises highlight the significance of training and retraining employees, preparing them to be innovative and responsive to beneficial social and environmental changes. Consequently, the fundamental elements of the social dimension include a commitment to social missions, value creation, effective networking, community involvement, and adaptability to change (Kamalusin et al., 2021). Together, these elements emphasize the crucial role of social enterprises in advancing societal well-being and fostering sustainable development.

Economic Dimension: The economic dimension highlights the essential requirement for social enterprises to attain financial sustainability while simultaneously tackling social issues. This dual focus is especially pertinent for small, and medium enterprises (SMEs) functioning in resource-limited settings, where managers must adeptly navigate the interplay between financial success and social impact. It is crucial to define the economic aspect to differentiate it from other factors (Grieco, 2018). This aspect includes capital investment and necessitates that social entrepreneurs invest time in developing and empowering team leaders and employees, thereby promoting accountability as a means to ensure the sustainability of social enterprises.

Many social organizations actively facilitate wealth generation through economic initiatives, with the goal of producing beneficial societal outcomes. Managers are instrumental in coordinating teams and ensuring that employees participate in innovative processes and product development efforts. In various areas of Nigeria, social entrepreneurs champion the creation of new opportunities for investors, underscoring the significance of stakeholder engagement in wealth creation, investment, and financial autonomy. This strategy not only addresses the execution of strategic objectives (Costa & Pesci, 2016) but also highlights critical elements such as accountability, wealth creation, innovation, new opportunities, and financial autonomy.

Environmental Dimension: The environmental aspect of social entrepreneurship highlights the dedication to ecological sustainability and the incorporation of environmental factors into business operations. Social enterprises strive to tackle urgent environmental challenges, including climate change, resource depletion, and pollution, by developing innovative solutions that harmonize economic objectives with ecological stewardship (Kamaludin, Xavier & Amin, 2021).

This dimension encompasses the implementation of green technologies, practices aimed at reducing waste, and the utilization of renewable energy sources. Social entrepreneurs frequently engage in initiatives that foster environmental awareness and advocate for policies that promote sustainable development. Social enterprises are essential in promoting the Sustainable Development Goals (SDGs) by embedding environmental sustainability into their fundamental mission, with a particular emphasis on SDG 13 (Climate Action) and SDG 15 (Life on Land) (Jones, Hillier, & Comfort, 2016).

Governance Dimension: The Governance Dimension refers to the strategies and structures that improve internal operations and product innovation to create social value. It highlights the significance of accountability and transparency, which are essential for building trust and credibility among stakeholders. Organizations enhance their learning and development through training initiatives backed by effective internal governance, which unites the contributions of all employees and clients to achieve customer satisfaction, often supported by an incentive system.

Adherence to legal standards and the independence of auditors are crucial for upholding transparency and accountability, both of which are necessary for sustainable business growth. Efficient communication, both within the organization and with external parties, acts as a vital link for realizing social impact. As noted by Santos, Pache and Birkholz (2015), governance encompasses interactions with customers, clients, and beneficiaries to bolster entrepreneurial sustainability. Therefore, social entrepreneurs—whether functioning as grassroots movements or large multinational corporations—must develop strong governance frameworks that encourage responsible decision-making and align with their clearly articulated social values and objectives.

Recent studies underscore the dual objectives inherent in social enterprises: achieving financial sustainability while simultaneously addressing pressing social issues (Mair & Marti, 2009). This dual focus is particularly significant for SMEs, where managers face the challenge of reconciling competing priorities of profitability and social impact within the context of limited resources and innovative practices.

In sum, social entrepreneurship represents an essential strategy for managers of SMEs who seek to advance sustainable development while tackling societal issues. By adopting the tenets of social entrepreneurship within the realms of social, economic, environmental, and governance aspects, these

organizations can significantly contribute to both economic growth and the promotion of social and environmental sustainability.

2.1.3. Sustainable Entrepreneurship Competence (SUSENTCOM)

Sustainable entrepreneurship competence (SUSENTCOM) represents a crucial skill set that empowers entrepreneurs to establish and operate businesses that harmonize economic success with social and environmental accountability. This concept is increasingly recognized as the global economy transitions towards sustainability-oriented business practices in response to challenges such as climate change, social inequality, and resource limitations (Ploum *et al.*, 2018). Sustainable entrepreneurship competence encompasses a blend of entrepreneurial, sustainability, and innovation skills aimed at advancing sustainable development goals (SDGs) while maintaining business viability (Mousa & Othman, 2020).

Sustainable entrepreneurship competence can be broadly characterized as the knowledge, skills, and attitudes necessary for recognizing, developing, and executing sustainable business opportunities that foster environmental stewardship, social welfare, and economic advancement (Ploum *et al.*, 2018). In contrast to conventional entrepreneurship, which primarily focuses on financial profit, sustainable entrepreneurship adopts a triple-bottom-line framework, integrating social and environmental sustainability into its business strategies (Rauter *et al.*, 2023).

This competence empowers social entrepreneurs to generate enduring value by harmonizing financial sustainability with social impact and environmental stewardship. It serves as a crucial framework that incorporates sustainability into entrepreneurial activities, highlighting the interrelation among economic, social, and environmental factors. The primary objective of SUSENTCOM is to promote long-term sustainability and create a beneficial effect on society by identifying opportunities that address sustainability challenges. It empowers entrepreneurs to integrate sustainability principles into their business operations, creating economic value while providing societal advantages. This comprehensive approach necessitates critical analysis, ethical decision-making, and innovative solutions within the limits of environmental considerations.

Various studies have empirically validated the significance of sustainable entrepreneurship competence in promoting both business success and sustainable development. Studies by Hockerts

and Wüstenhagen (2010) indicate that entrepreneurs possessing sustainability competencies are more inclined to create eco-innovative products, attract impact investors, and secure long-term profitability and that enterprises led by entrepreneurs with robust sustainability competencies generally outperform their peers in sustainability-focused sectors. Rauter *et al.* (2023) also revealed that businesses managed by entrepreneurs with sustainability competencies are more likely to adopt circular economy practices, minimize waste, and implement renewable energy solutions. These findings underscore the direct influence of sustainability competencies in promoting social enterprise initiatives.

2.1.4 Social Enterprise Development

Enterprise development represents a strategic initiative focused on promoting the growth and sustainability of businesses, particularly small and medium-sized enterprises (SMEs) within developing economies. Small and Medium-sized Enterprises (SMEs) are vital to job creation and economic advancement in Africa. They are regarded as the foundation of numerous African economies because of their capacity to create employment and foster inclusive growth. SMEs are major contributors to job creation across the continent, providing work for a significant portion of the population, especially in industries such as agriculture, manufacturing, and services (African Development Bank, 2018). Furthermore, SMEs play an important role in contributing to GDP and employment levels. In Sub-Saharan Africa, for instance, SMEs account for approximately 90% of all businesses (African Development Bank, 2018).

The process of enterprise development focuses on improving the skills and capabilities of both individuals and organizations to manage businesses effectively. Essential initiatives such as entrepreneurship education, access to funding, and market support play a vital role in this endeavor (Soomro et al., 2025). Studies indicate that entrepreneurial skills have a significant effect on the performance of enterprises, with competencies and networking serving as critical factors for micro, small, and medium enterprises (MSMEs) (Nugroho, 2023).

Possessing entrepreneurial skills allows individuals to recognize market opportunities and foster innovation, which directly affects productivity and overall success (Dwi et al., 2022). Developing these competencies is crucial for achieving a competitive advantage (Julyanthry & Sudirman, 2021). A deficiency in entrepreneurial skills can impede the performance of MSMEs, whereas nurturing these

abilities promotes innovation and adaptability in the market (Abdullah & Mansor, 2018; Esubalew & Raghurama, 2020).

Management is crucial in guiding SMEs toward growth. Skilled managers engage in strategic planning and operational oversight, which enhances productivity and competitiveness. Effective decision-making and risk assessment are fundamental to enterprise performance (Fitzsimmons & Fitzsimmons, 2021). Various strategies to promote enterprise development include strategic planning to establish clear objectives (Katz & Green, 2021) and capacity building through training and mentorship (Ayyagari *et al.*, 2007). Access to finance continues to pose a significant challenge, prompting the emergence of alternative financing models such as microfinance and fintech to bridge this gap (Beck *et al.*, 2009).

Essential competencies for proficient management encompass strategic planning, financial management, and marketing knowledge. Managers can promote growth by adopting innovative practices, engaging in networking opportunities, and dedicating themselves to ongoing professional development (Kraus *et al.*, 2021). In a globalized context, sustainable business development tackles challenges such as waste minimization and the advancement of women's rights, while also encouraging community transformation through social entrepreneurship initiatives (Nweke *et al.*, 2021).

2.2. Theoretical Review

2.2.1 Triple Bottom Line (TBL) Theory

The Triple Bottom Line (TBL) framework, introduced by Elkington (1994), expands the traditional focus on financial outcomes to include social, economic, and environmental factors in assessing organizational success. The social dimension aims to create positive societal impacts, such as reducing inequality and promoting social justice, with social entrepreneurship addressing issues like unemployment and access to education and healthcare. For SMEs, embracing social responsibility enhances their community contributions. The economic dimension emphasizes an organization's financial health, highlighting that SMEs must achieve profitability and efficient resource use while remaining responsive to market changes. The TBL framework advocates for a balance between financial success and social and environmental values.

The environmental aspect focuses on minimizing negative environmental impacts through sustainable practices and responsible resource management. For social entrepreneurship, aligning with ecological systems is crucial for long-term sustainability. Governance, as noted by Kamaludin *et al.* (2021), involves transparency, accountability, and ethical decision-making, essential for building stakeholder trust and meeting obligations across all dimensions. Effective governance is particularly important for social enterprises and SMEs committed to sustainable development.

This comprehensive approach posits that sustainable development and business growth are achievable only when economic benefits align with societal welfare and environmental stewardship. Kamaludin *et al.* (2021) further enhance the TBL framework by incorporating governance, increasing its relevance for contemporary SMEs engaged in social entrepreneurship.

The TBL framework is particularly relevant to social entrepreneurship, which employs innovative strategies to address social, economic, and environmental challenges. Social entrepreneurs must integrate these dimensions into operational strategies to create sustainable solutions that meet societal needs while promoting enterprise growth. The framework illustrates how socially responsible SMEs can build community trust, enhance customer loyalty, and generate lasting stakeholder value, driving enterprise growth. Financial sustainability, achieved through strategic investments and operational efficiencies, is crucial for competitiveness. Sustainable practices not only meet regulatory requirements but also attract environmentally conscious consumers, improving market position. Transparent governance structures help mitigate risks, foster stakeholder confidence, and align business operations with societal goals.

Key competencies of sustainable entrepreneurial competence for effective management and enterprise development include strategic thinking, financial management, human resource management, and marketing skills. Managers can enhance enterprise development through innovation and technology adoption, networking with other enterprises, and continuous professional development (Kraus *et al.*, 2021).

The skills possessed by managers play a vital role in influencing the connection between social entrepreneurship and enterprise growth, particularly through the implementation of Triple Bottom Line (TBL) principles. Competent managers are capable of effectively converting the objectives of

social entrepreneurship into practical business strategies, maximizing resource utilization for both profitability and sustainability and cultivating partnerships that amplify the social and environmental benefits of their organizations.

By framing this research within the TBL paradigm, it establishes a robust theoretical foundation for examining how different aspects of social entrepreneurship—namely social, economic, environmental, and governance—contribute to the progress of enterprises. The focus on sustainable entrepreneurial competence underscores the significance of managerial abilities in securing the enduring success of small, and medium enterprises (SMEs). The findings indicate that SMEs in developing nations, including Nigeria, can attain substantial growth by adopting TBL principles and harnessing managerial skills to address the challenges associated with enterprise development.

2.3 Review of Empirical Literature

This section explores the relationship between social entrepreneurship and enterprise development, with a particular focus on the moderating influence of sustainable entrepreneurial competence among managers of Small, and Medium Enterprises (SMEs). Recent literature has widely recognized the link between social entrepreneurship and sustainable business practices. Both Stenn (2017) and Muralidharan & Pathak (2018) emphasize the necessity of incorporating social objectives into business operations to enhance sustainability and generate social impact.

2.3.1 Relationship between Social Entrepreneurship and Enterprise Development

Numerous studies have demonstrated that social entrepreneurship plays a crucial role in the development of enterprises by fostering sustainable business practices and tackling societal and environmental challenges (Stenn, 2017; Muralidharan & Pathak, 2018; Rahdari, Sepasi, & Moradi, 2016). Tien *et al.* (2020) offer a framework that connects social entrepreneurship with sustainable development, elucidating its significance in the growth of enterprises. Additionally, Rey-Marti, Diaz-Foncea, and Alguacil-Mari (2021) highlight the diverse impacts of social entrepreneurship on social, economic, and environmental sustainability, which are essential for fulfilling societal needs while maintaining economic stability. Priya and Venkatesh (2019) investigate the influence of personal social motivation on sustainability within social entrepreneurship, pointing out deficiencies in alternative business approaches and impact evaluation methods that are critical for enterprise progress.

The sustainability of enterprise development is shaped by social entrepreneurship through essential elements such as social mission networking, financial sustainability, and innovation (Javed, Yasir, & Majid, 2019). Kamaludin, Xavier, and Amin (2021) further stress the significance of social, economic, environmental, and governance aspects. Research conducted by Ketprapakorn and Kantabutra (2019) and Zhang and Swanson (2014) provides metrics that link social entrepreneurship to sustainability, underscoring the importance of innovation and governance. Prasetyo, Setyadharma, and Kristanti (2021) analyze the role of institutional frameworks, indicating that the quality of institutions and collaborative efforts are crucial for addressing socioeconomic challenges and promoting enterprise development.

Social entrepreneurship, while promising, encounters various obstacles that impede its efficacy. Nweke *et al.* (2021) point out several barriers, including insufficient government backing, financial limitations, a shortage of skilled workforce, and environmental instability, especially in Sub-Saharan Africa, where poverty and climate change intensify these challenges. Aliyeva (2021) examines local social enterprises and international strategies that could improve their outcomes, whereas Sun and Xing (2022) emphasize the influence of social media in fostering environmentally responsible consumer habits, illustrating how digital platforms can bolster sustainable business initiatives.

2.3.2 The Moderating Influence of Sustainable Entrepreneurial Competence

The influence of sustainable entrepreneurial competence on the relationship between social entrepreneurship and enterprise development is a developing field of study. Javed, Yasir, and Majid (2019) underscore the significance of entrepreneurial competence, particularly in areas such as networking and innovation, in bolstering the sustainability of social enterprises. Similarly, Kamaludin, Xavier, and Amin (2021) stress the critical role of environmental and governance competencies in realizing sustainable outcomes.

Recent research conducted by Prasetyo, Setyadharma, and Kristanti (2021) indicates that sustainable entrepreneurial competence is vital for enhancing institutional quality in the context of enterprise development. These competencies empower managers to effectively address complex challenges and align their strategies with sustainability objectives, thereby amplifying the overall effectiveness of social entrepreneurship.

2.3.3 Research Gaps

The current body of literature indicates significant deficiencies in comprehending the intricacies of social entrepreneurship, enterprise development, and the moderating influence of sustainable entrepreneurial competence. A lack of robust theoretical frameworks characterizes many studies and does not adequately consider the interrelations among these variables. This deficiency is pronounced in Africa, particularly in Nigeria, where distinct socioeconomic challenges necessitate tailored and innovative approaches.

This study seeks to fill these identified gaps by exploring the effect of social entrepreneurship, and its social, economic, environmental, and governance dimensions, on enterprise development and determining the moderating role of sustainable entrepreneurial competence in the relationship. Employing a quantitative approach, the study examines the formation and expansion of social enterprises in Lagos, Nigeria, thereby providing a framework for understanding their contributions to sustainable enterprise development. By synthesizing these dimensions, the research delivers actionable insights for policymakers and practitioners focused on enhancing the effects of social entrepreneurship.

2.4 Conceptual Model for the Study

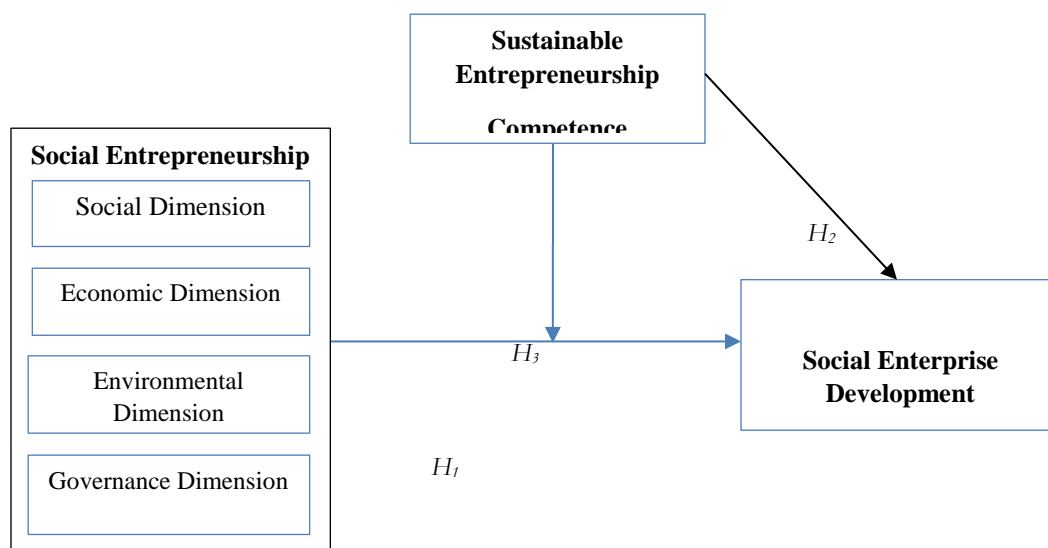


Figure 1: Conceptual Framework

The proposed conceptual framework encompasses three primary constructs: Social Entrepreneurship (IV), Social Enterprise Development (DV), and Sustainable Entrepreneurial Competence (MV). It highlights the direct relationships between social entrepreneurship (and its components) and social enterprise development (H_1), and between sustainable entrepreneurial competence and social enterprise development (H_2), asserting that both social entrepreneurship and sustainable entrepreneurial competence directly impact social enterprise development. Further, it is assumed that sustainable entrepreneurial competence moderates the relationship between social entrepreneurship and social enterprise development (H_3), such that presence of sustainable entrepreneurial competence strengthens the impact of social entrepreneurship on social enterprise development.

2.5 Hypotheses to be tested

From the foregoing review of the literature and the identified gaps, two hypotheses are formulated below as illustrated in the conceptual model:

Hypothesis 1: Social entrepreneurship and its dimensions of social, economic, environmental, and governance, will have significant collective and individual positive effects on social enterprise development.

Hypothesis 2: Sustainable entrepreneurial competence will have a significant positive effect on social enterprise development.

Hypothesis 3: Sustainable entrepreneurial competence will significantly moderate the relationship between social entrepreneurship and social enterprise development.

3. Research Methods

3.1 Research Design

This investigation utilized a cross-sectional survey method, which is particularly appropriate for obtaining a snapshot of the prevailing attitudes, behaviours, and characteristics of a population at a specific moment (Creswell & Creswell, 2017). The selection of this design is based on its capacity to enable the simultaneous gathering of data from a wide range of participants, thus allowing for a thorough analysis of the entrepreneurial environment within the social sector.

The descriptive research framework is particularly appropriate for this study as it facilitates a systematic exploration of various aspects related to social entrepreneurship. By adopting a cross-

sectional design, the study can collect quantitative data that accurately represents the current state of entrepreneurship among social enterprises, offering valuable insights into trends and patterns that may guide future research and practice.

3.2 Population, Sample, and Data Collection Procedure

The focus of this study was on the 11,666 registered small and medium-sized enterprises (SMEs) located in Lagos State, as reported by SMEDAN in 2023. From this population, approximately 3,420 SMEs were identified as social enterprises based on specific criteria, including their commitment to social issues, community engagement and empowerment, and emphasis on local needs and resources. Employing the Taro Yamane (1967) formula and classifying these enterprises into manufacturing and service sectors, a sample of 400 social enterprises was drawn from the five divisions of Lagos State based on the distribution of the identified social SMEs across these divisions. The sample distribution was as follows: Ikorodu (27), Epe (21), Ikeja (152), Badagry (16), and Lagos Island (184). The sample comprised both manufacturing and service-oriented enterprises, with 189 (47.3%) and 211 (52.7%) respectively being manufacturing and service-oriented businesses.

A convenience sampling method was utilized to select participants for data collection, ensuring that only those who were available and willing to engage in the study were included. At the end of the data collection exercise, which took about 8 weeks, 382 responses were received with 362, representing 90.5% of the sampled SMEs managers, having complete and usable data.

3.3 Measures

Social Entrepreneurship measure was based on a social entrepreneurship scale developed and validated by Diaz-Sarachaga and Ariza-Montes (2022). The scale assesses four dimensions of the construct with 28 items as follows: *social dimension* (8 items), *economic dimension* (7 items), *environmental dimension* (5 items), and *governance dimension* (8 items). The scale has consistency index (CI) of 0.163.

Social Enterprise Development was measured by the 10-item sustainable enterprise development subscale of Rahmana and Bawono (2021). The scale consisted of 3 subscales of Ethic (3 items), Effective (4 items), and Efficient (3 items). The Cronbach alpha for the scale is 0.927.

Sustainable Entrepreneurship Competence was assessed with Ploum *et al.*'s (2018) scale. The authors assess 6 dimensions of the construct with 27 items: *Diversity Competence* (4 Items), *Foresighted Thinking Competence* (4 Items), *System Thinking Competence* (4 Items), *Normative Competence* (4 Items), *Interpersonal Competence* (3 Items), and *Strategic Action Competence* (8 Items). The Cronbach alphas for the subscales range from 0.68 (Interpersonal competence) and 0.89 (Strategic management competence and action competence - Sm_AC).

This study adopted 5-Likert agreement response scale ranging from strongly disagree (1) to strongly agree (5) with higher scale representing stronger agreement with the measure statement.

4. Results and Findings

4.1 Analysis of Demographic Characteristics of the Social Entrepreneurs

Table 1: Analysis of the demographic characteristics of the Social Entrepreneurs

Socio-demographic variable	Characteristics	Frequency	Percentage (%)
Gender	Male	214	59.1
	Female	148	40.9
Age	Less than 1-25 years	26	7.2
	26-35 years	154	42.5
	36-45 years	140	38.7
	46-55 years	16	4.4
	56 years and above	26	7.2
Marital Status	Single	78	21.5
	Married	284	78.5
Highest Educational Level	National Diploma/NCE	58	16.0
	Higher National Diploma/First Degree	248	68.5
	Postgraduate Degree/Diploma	56	15.5
Business Experience	Less than 3 years	26	7.2
	3-5 years	206	56.9
	5-10 years	114	31.5
	11-20 years	16	4.4

Source: Field Survey, 2024, N=362

The demographic characteristics of social entrepreneurs indicate that a considerable segment, specifically 42.5%, is aged between 26 and 35 years. This demographic is closely followed by those aged 36 to 45 years, who represent 38.7% of the population studied. Regarding gender distribution, 59.1% of the entrepreneurs are male, while 40.9% are female, reflecting a reasonable representation of women in this field. A significant majority, 78.5%, are married, whereas 21.5% are single. Moreover, a large proportion, consisting of 336 individuals or 92.8%, have been involved in their business endeavors for a period ranging from 3 to 20 years. The educational qualifications of these entrepreneurs are also significant, with 84% holding at least a bachelor's degree.

The data reveal that social entrepreneurship within the SMEs is largely driven by a youthful and well-educated group of entrepreneurs with considerable experience in their respective business domains. This demographic points to a vibrant and dynamic sector likely to promote innovation and growth, driven by a dedication to social impact alongside business goals. Additionally, the focus on education and experience underscores the potential for support initiatives aimed at these entrepreneurs to prioritize skill development, which could enhance their social and economic contributions. In summary, this demographic profile illustrates an active and relatively educated group of social entrepreneurs, predominantly consisting of young individuals with substantial experience. Notably, while women are present in this sector, they are still underrepresented, highlighting an opportunity for further advancement in the realm of social entrepreneurship in Nigeria.

4.2 Mean Scores, Standard Deviations, and Correlation Analyses

Table 2: Means, Standard Deviations and Correlation among Variables

SN.	Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12
1	Gender	1.492	.501	1											
2	Age	2.398	.758	.009	1										
3	Marital Status	1.547	.499	-.037	-.035	1									
4	Educ	3.238	.963	.010	.014	.086	1								
5	Bus Exp	2.039	.846	-.150*	.080	-.090	-.025	1							
6	SocD	3.377	.554	.153*	.051	-.078	-.092	-.048	1						
7	EcoD	3.170	.512	.053	-.041	-.079	-.105	-.015	.394**	1					
8	EnvD	3.174	.469	-.072	.027	-.018	.076	-.073	.064	.144	1				
9	GovD	3.070	.532	.021	.072	.094	.007	-.008	.163*	.217**	.107	1			
10	SOCENT	3.197	.323	.069	.045	-.033	-.051	-.057	.676**	.708**	.492**	.607**	1		
11	SUSENCOM	3.034	.521	.046	.019	.004	.128	.060	.095	.115	.110	.334**	.264**	1	
12	SOCENTDEV	2.938	.377	-.001	.064	.159*	.116	-.010	.136	.020	.020	.464**	.265**	.616**	1

* $p < .05$, ** $p < .01$

Key: Educ (Highest Educational Level), SocD (Social Dimension), EcoD (Economic Dimension), EnvD (Environmental Dimension), GovD (Governance Dimension), SOCENT (Social Entrepreneurship), SUSENCOM (Sustainable Entrepreneurship Competence), SOCENTDEV (Social Enterprise Development).

Table 4.2 shows the descriptive and correlation analyses among the variables. The analysis identifies several notable correlations between demographic factors and different aspects of entrepreneurship. Gender exhibits a weak yet statistically significant correlation with the Social Dimension ($r = .153$, $p < .05$) and Business Experience ($r = -.150$, $p < .05$). This suggests the presence of minor gender differences in the perceptions of social dimensions and business experience. Additionally, Marital Status shows a weak positive correlation with Social Enterprise Development ($r = .159$, $p < .05$), implying that marital status may play a role in influencing participation in social enterprise development. Social Entrepreneurship (SOCENT) exhibits significant positive correlations with the

Social Dimension ($r=.676, p<.01$), Economic Dimension ($r=.708, p<.01$), Environmental Dimension ($r=.492, p<.01$), and Governance Dimension ($r=.607, p<.01$). These findings indicate that an increased emphasis on social, economic, environmental, and governance aspects is linked to a greater involvement in social entrepreneurship initiatives. Likewise, Sustainable Entrepreneurship Competence (SUSENTCOM) shows a positive correlation with the Governance Dimension ($r=.334, p<.01$) and Social Entrepreneurship ($r=.264, p<.01$), suggesting that effective governance practices and participation in social entrepreneurship can bolster sustainable entrepreneurship competencies. Furthermore, Social Enterprise Development (SOCENTDEV) is positively correlated with the Governance Dimension ($r=.464, p<.01$), Social Entrepreneurship ($r=.265, p<.01$), and Sustainable Entrepreneurship Competence ($r=.616, p<.01$), highlighting that governance, social entrepreneurship, and sustainable entrepreneurship competencies are essential factors driving the development of social enterprises.

A robust positive correlation ($r=.676, p<.01$) exists between Social Dimension (SocD) and Social Entrepreneurship (SOCENT). This implies that individuals who exhibit greater social awareness or involvement are more inclined to participate in social entrepreneurial initiatives. A similarly strong correlation ($r=.708, p<.01$) exists between Economic Dimension (EcoD) and Social Entrepreneurship (SOCENT) indicating that individuals who achieve higher scores in the economic dimension also tend to attain higher scores in social entrepreneurship, underscoring the relationship between economic awareness and social business activities. However, a moderate positive correlation ($r=.264, p<.01$) was observed between Sustainable Entrepreneurship Competence (SUSENTCOM) and Social Enterprise Development (SOCENTDEV), suggesting that individuals possessing greater sustainable entrepreneurship competence are more likely to engage in the development of social enterprises. A moderate positive correlation ($r=.217, p<.01$) was also observed between Governance Dimension (GovD) and Economic Dimension (EcoD), indicating that an increase in governance awareness may be associated with improved economic understanding or engagement. The correlation ($r=.144, p<.01$) between Social Dimension (SocD) and Environmental Dimension (EnvD) suggests a weak positive relationship, indicating that social engagement may have a minor influence on environmental issues, although the strength of this relationship is limited. Lack of Strong Correlations: Numerous relationships lack statistical significance, particularly among demographic variables such as age and marital status, as well as core dimensions like environmental and governance dimensions. This

observation suggests that demographic factors may exert a limited impact on the evaluated dimensions.

Social Entrepreneurship (SOCENT) exhibits significant positive correlations with the Social Dimension ($r=.676, p<.01$), Economic Dimension ($r=.708, p<.01$), Environmental Dimension ($r=.492, p<.01$), and Governance Dimension ($r=.607, p<.01$). These findings indicate that an increased emphasis on social, economic, environmental, and governance aspects is linked to a greater involvement in social entrepreneurship initiatives. Likewise, Sustainable Entrepreneurship Competence (SUSENTCOM) shows a positive correlation with the Governance Dimension ($r=.334, p<.01$) and Social Entrepreneurship ($r=.264, p<.01$), suggesting that effective governance practices and participation in social entrepreneurship can bolster sustainable entrepreneurship competencies. Furthermore, Social Enterprise Development (SOCENTDEV) is positively correlated with the Governance Dimension ($r=.464, p<.01$), Social Entrepreneurship ($r=.265, p<.01$), and Sustainable Entrepreneurship Competence ($r=.616, p<.01$), highlighting that governance, social entrepreneurship, and sustainable entrepreneurship competencies are essential factors driving the development of social enterprises.

4.3 Hypotheses Testing

Moderated multiple regression analyses were conducted to test the hypotheses. To test hypotheses 1 and 2, three models were estimated with the demographic variables entered first into the regression equation en-bloc, to control for their possible confounding effect on Social Enterprise Development (SOCENTDEV) (Garson, 2006; Mertler & Vannatta, 2005). Demographic characteristics often influence dependent variables, acting as important covariates that can modify the relationship between independent and dependent variables (Tabachnick & Fidell, 2019). By entering these variables first in the regression model their effects on the dependent variable can be controlled from the outset. This approach ensures that the influences of Social Entrepreneurship (SOCENT) and Sustainable Entrepreneurship Competence (SUSENTCOM) on SOCENTDEV are not confounded by demographic differences among participants, thereby facilitating a more accurate assessment of the unique contributions of SOCENT and SUSENTCOM to Social Enterprise Development (SOCENTDEV). Next, the independent variable (Social Entrepreneurship) and the moderating variable (Sustainable Entrepreneurship Competence) were entered respectively into the regression equation to estimate their impact on the dependent variable (Social Enterprise Development).

The multiple regression analysis examines the effects of demographic variables (Model 1), social entrepreneurship (SOCENT - Model 2), and sustainable entrepreneurship competence (SUSENTCOM - Model 3) on social enterprise development (SOCENTDEV). The findings are presented in Table 3a.

Table 3a: Results of Regression Analyses for the effects of SOCENT and SUSENTCOM on SOCENTDEV.

<i>Model</i>	<i>R</i>	<i>R</i> ²	<i>Adj-R</i> ²	Std. Error of the Estimate	ΔR^2	<i>F</i>	<i>Sig.</i>
Model 1: Demo	.141	.02	.014	.37413	.02	3.647	.051
Model 2: SOCENT	.493	0	.221	.33256	0	12.887	.000
Model 3: SUSENTCOM	.691	.24 3 .47 8	.460	.27706	.22 3 .23 5	78.136	.000

Notes: Demo (Demographic Variables), SOCENT (Social Entrepreneurship), SUSENTCOM (Sustainable Entrepreneurship Competence), SOCENTDEV (Social Enterprise Development).

N= 362

Table 3b: Results of Regression Analyses for the effects of SOCENT and SUSENTCOM on SOCENTDEV.

Coefficients^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.258	.259		4.850	.000
Demo	.010	.013	.042	.757	.450
SocD	.064	.041	.093	1.558	.121
EcoD	-.096	.045	-.130	- 2.128	.035
EnvD	-.046	.045	-.057	- 1.018	.310
GovD	.218	.042	.307	5.154	.000
SUSENTCOM	.376	.043	.520	8.839	.000

^aDependent Variable: SOCENTDEV (Social Enterprise Development)

Notes: Demo (Demographic Variables), SocD (Social Dimension), EcoD (Economic Dimension), EnvD (Environmental Dimension), GovD (Governance Dimension), SUSENTCOM (Sustainable Entrepreneurship Competence).

$N = 362$

The results of the analysis to test Hypothesis 1, which posited that social entrepreneurship and its various dimensions—namely social, economic, environmental, and governance—would have a significant positive impact on the growth of social enterprises, are presented in Tables 3a and 3b. The data reveal that demographic factors account for merely 2% of the variance in social enterprise development (SOCENTDEV) ($R = .141$, $R^2 = .020$, $Adj\text{-}R^2 = .014$, $\Delta R^2 = .020$, $F = 3.647$, $p = .051$), indicating a weak correlation and suggesting that these factors alone do not serve as significant predictors of SOCENTDEV, as evidenced by the marginally significant F-statistic ($p = .051$). Upon incorporating social entrepreneurship (SOCENT) into the regression model (Model 2), there was a notable enhancement in predictive capability ($R = .493$, $R^2 = .243$, $Adj\text{-}R^2 = .221$, $\Delta R^2 = .223$, $F = 12.887$, $p < .001$). This model accounts for 24.3% of the variance in SOCENTDEV, illustrating that SOCENT plays a crucial role in forecasting social enterprise development beyond the influence of demographic variables.

A detailed analysis of the various dimensions of social entrepreneurship (SOCENT), as illustrated in Table 3b, indicates their distinct influences on SOCENTDEV. The Social Dimension (SocD) ($B = .064$, $p = .121$) and the Environmental Dimension (EnvD) ($B = -.046$, $p = .310$) do not demonstrate a significant effect on SOCENTDEV. In contrast, the Economic Dimension (EcoD) ($B = -.096$, $p < .035$) reveals a significant negative influence, implying that the existing framework of economic activities may hinder the advancement of social enterprises. On the other hand, the Governance Dimension (GovD) ($B = 0.218$, $p < .001$) exhibits a highly significant positive impact, suggesting that effective governance structures are essential for promoting social enterprise development.

Consequently, the hypothesis is validated, indicating that social entrepreneurship has a substantial collective effect on social enterprise development, with governance identified as a positively impactful dimension, while the economic dimension presents a significant negative influence. The social and environmental dimensions, however, do not significantly affect the development of social enterprises. To test Hypothesis 2, which proposed that sustainable entrepreneurship competence (SUSENTCOM) would significantly influence social enterprise development (SOCENTDEV), the addition of SUSENTCOM in the regression analysis is illustrated in Model 3. The results shown in Tables 3a and 3b reveal a robust model fit ($R = .691$, $R^2 = .478$, $Adj\text{-}R^2 = .460$, $\Delta R^2 = .235$, $F = 78.136$, $p < .001$), indicating that SUSENTCOM explains nearly 47.8% of the variance in SOCENTDEV. The notable increase in

R^2 ($\Delta R^2=.235$) emphasizes the critical role of SUSENTCOM in shaping SOCENTDEV, reinforcing the idea that sustainable entrepreneurship competence is essential for the progress of social enterprise development. Furthermore, in comparison to SOCENT and its dimensions, SUSENTCOM ($B=.376$, $p<.001$) stands out as the most significant positive predictor of SOCENTDEV. This implies that entrepreneurs who possess sustainable competencies are more likely to enhance social enterprise development. Thus, the findings validate Hypothesis 2, confirming that sustainable entrepreneurship competence exerts a significant positive influence on social enterprise development. This highlights the necessity of improving sustainable entrepreneurship competencies to effectively advance social enterprise initiatives.

To test hypothesis 3 which proposed that sustainable entrepreneurial competence will significantly moderate the relationship between social entrepreneurship and social enterprise development, was tested by running multiple moderated regression using model 1 of the Process Macro v4.2 for SPSS (Hayes, 2022). In the regression equation, Social Entrepreneurship (SOCENT) and Social Enterprise Development (SOCENTDEV) were entered as the independent and dependent variables, and Sustainable Entrepreneurship Competence (SUSENTCOM) as the moderating variable. All the variables were mean-centred and sample bootstrap set at 5,000, which is considered an appropriate approach to making inferences about direct and moderated effects (Hayes, 2013). Confidence interval of 95% is adopted. Heteroscedasticity was not assumed and the estimator set at HCO.

The overall model was first estimated, then the impacts of SOCENT and SUSENTCOM on SOCENTDEV were determined. R^2 , ΔR^2 , F , and unstandardized beta weights (b) were used to determine the impact of the SOCENT on SOCENTDEV and the moderating role of SUSENTCOM. The results are shown in Table 4.

Table 4: Moderated Regression Analyses for the impact of SUSENTCOM on the relationship between SOCENT and SOCENTDEV

IV	B	Se	t	LLCI	ULCI
Constant	32.425**	.249	130.054	31.933	32.917
SOCENT	.092*	.046	1.986	.001	.183
SUSENTCOM	.964**	.103	9.345	.761	1.168
$R^2=.405^{**}$					
$F=40.142^{**}$					
Int-1 (SOCENT*SUSENTCOM)	-.023	.015	-1.528	-.054	.007
$\Delta R^2=.008$					
$F=2.333$					

Notes: ** $p<.01$, * $p<.05$,

N=362.

Keys: SOCENT (Social Entrepreneurship), SUSENTCOM (Sustainable Entrepreneurship Competence), and SOCENTDEV (Social Enterprise Development).

The findings indicate that the overall model fit offers substantial evidence of a significant relationship among the variables examined. The correlation coefficient (R) stands at 0.636, suggesting a moderate to strong correlation between the independent variable (SOCENT), the moderating variable (SUSENTCOM), and the dependent variable (SOCENTDEV). The model accounts for 40.5% of the variance in SOCENTDEV ($R^2=.405$, $p<.001$). Additionally, the overall model is statistically significant ($F=40.142$, $p<.001$), demonstrating that both SOCENT and SUSENTCOM collectively contribute significantly to explaining SOCENTDEV. The analysis indicates that SOCENT has a small yet statistically significant positive effect on SOCENTDEV ($\beta=0.092$, $p<.05$), with the confidence interval (CI: 0.001 to 0.183) not including zero. In contrast, SUSENTCOM exhibits a strong and highly significant positive effect on SOCENTDEV ($\beta=0.964$; $p<.001$), with its confidence interval (CI: 0.761 to 1.168) not including zero.

An exploration of the interaction (moderating) effect reveals that the interaction between SOCENT and SUSENTCOM is not statistically significant ($\Delta R^2=.008$; $F=2.333$; $\beta=-0.023$, $p=.128$). The confidence interval (CI: -0.054 to 0.007) includes zero, indicating insufficient evidence to support the notion that SUSENTCOM moderates the relationship between SOCENT and SOCENTDEV. Consequently, it can be concluded that (1) both social entrepreneurship (SOCENT) and sustainable entrepreneurship competence (SUSENTCOM) positively affect social enterprise development

(SOCENTDEV), with sustainable entrepreneurship competence demonstrating a significantly stronger effect than social entrepreneurship, and (2) there is no significant moderating effect of sustainable entrepreneurship competence on the SOCENT–SOCENTDEV relationship, suggesting that SOCENT influences SOCENTDEV independently of the level of SUSENTCOM.

5.0 Discussion of Findings

The finding that social entrepreneurship (SOCENT) has a significant impact on social enterprise development (SOCENTDEV) suggests that entrepreneurs who emphasize social objectives in conjunction with financial viability are inclined to cultivate strong social enterprise ecosystems and highlights intricate influences across various dimensions. A systematic review conducted by Neumann (2021) suggests that although entrepreneurship typically contributes to macroeconomic growth, its relationship with welfare is complex and shaped by numerous factors. This implies that the economic effects of social entrepreneurship may not always yield positive outcomes for social enterprises.

Conversely, effective governance is crucial for the success of social enterprises. Robust governance structures improve decision-making, accountability, and alignment with social objectives, thereby facilitating enterprise development. Nevertheless, there is a scarcity of studies that quantify this beneficial influence, indicating a pressing need for further empirical investigation in this domain. In terms of social and environmental aspects, the existing literature presents mixed findings. While social entrepreneurship is designed to tackle these challenges, its direct impact on the growth of social enterprises is not consistently clear. Rey-Marti, Diaz-Foncea, and Alguacil-Mari (2021) emphasize the diverse effects of social entrepreneurship on business progress, particularly in relation to sustainability. A bibliometric analysis by Espinoza-Benavides *et al.* (2025) identified thematic clusters within social entrepreneurship research but did not conclusively determine the direct impact of social and environmental factors on enterprise development.

In summary, while effective governance positively influences the development of social enterprises, the economic dimension may reveal complex or adverse effects, and social and environmental factors do not consistently demonstrate significant impacts. This highlights the necessity of strong governance and strategic economic planning in promoting the growth of social enterprises.

The confirmation that sustainable entrepreneurship competence plays a significant role in the advancement of social enterprises indicates that individuals engaged in social entrepreneurship must develop particular skills and knowledge. This conclusion highlights the essential function of the concept in promoting the growth of social enterprises. Such competence likely includes an understanding of sustainable business practices, social innovation, stakeholder engagement, and the capacity to address intricate social and environmental issues. Furthermore, the finding indicates that skills associated with sustainability—such as environmental stewardship, social responsibility, and strategic foresight—are becoming increasingly vital for the success of social enterprises. This trend may signify a heightened awareness among social entrepreneurs that sustainable practices not only foster positive social outcomes but are also crucial for enduring success.

By improving these skills, social entrepreneurs can more effectively align their initiatives with sustainability objectives, ultimately resulting in more impactful and efficient social enterprises. This is consistent with the research conducted by Shao et al. (2024), which provided empirical support for the positive influence of sustainable entrepreneurship competence on the performance and scalability of social enterprises. The authors discovered that social entrepreneurs equipped with sustainability competencies are more likely to attain superior financial and social results. Additionally, a quantitative study by Kuckertz and Wagner (2010) revealed that entrepreneurs with elevated levels of sustainable entrepreneurship competence are more inclined to adopt practices that yield successful outcomes for social enterprises. Their research indicates that these competencies enhance decision-making processes, strengthen stakeholder relationships, and boost overall organizational performance.

Social entrepreneurship (SOCENT) and sustainable entrepreneurship competence (SUSENTCOM) both play a crucial role in the advancement of social enterprise development (SOCENTDEV), indicating that these two forms of entrepreneurship are essential for the progress of social enterprises. However, it has been observed that SUSENTCOM does not moderate the relationship between SOCENT and SOCENTDEV. This observation prompts intriguing discussions. The absence of a moderating effect implies that the impact of social entrepreneurship on social enterprise development functions independently of the degree of sustainable entrepreneurship competence, rather than either strengthening or weakening the relationship between the two. This may suggest that the fundamental motivations and strategies employed by social entrepreneurs are adequate to propel social enterprise development, irrespective of their expertise in sustainability. It could also indicate that the core tenets

of social entrepreneurship—such as community involvement, social innovation, and mission-oriented goals—are inherently effective in promoting enterprise growth. Thus, attention should be focused on prioritizing each variable independently to enhance the opportunities for the growth of social enterprises.

6. Conclusions

The research results reveal the complex nature of social enterprise development, reflecting the Triple Bottom Line (TBL) focus on comprehensive performance assessment. Social entrepreneurship is identified as a driving force for fostering dynamic social enterprise ecosystems, which corresponds with the TBL's social aspect. Entrepreneurs who effectively integrate social goals with financial success do not solely aim for profit; they also play an active role in promoting community welfare and social equity, thus improving their social bottom line.

Nonetheless, the complex economic implications of social entrepreneurship, as indicated by the findings, strongly align with the TBL's economic dimension. The recommendation for strategic economic planning to address potential challenges highlights the necessity of maintaining financial sustainability within social enterprises. This is consistent with the TBL's economic pillar, which encourages businesses to achieve profitability while taking into account the wider economic environment in which they function.

Effective governance, recognized as essential for decision-making and accountability, is crucial in strengthening the social and economic aspects of the TBL. The existing lack of empirical research measuring the influence of governance on social enterprises indicates a need for investigations that examine how governance frameworks can improve both social and financial results. Such studies would enhance the understanding of how governance practices can support the TBL's social and economic foundations.

The results also address the environmental dimension of the Triple Bottom Line (TBL), though in an indirect manner. The ambiguous connection between social and environmental elements to business growth underscores the need for further exploration into how sustainable practices can be embedded within the fundamental operations of social enterprises. The findings emphasize that competencies in sustainable entrepreneurship are crucial for promoting innovation and engaging stakeholders, both of

which are necessary for enhancing the environmental aspect of the TBL. This suggests that social entrepreneurs should focus on cultivating skills that not only improve social outcomes but also reduce environmental risks, thereby achieving a well-rounded TBL strategy.

The insight that the intrinsic qualities and motivations of social entrepreneurs can drive growth independently of sustainable entrepreneurship competencies indicates that the core principles of social entrepreneurship are strong. Nevertheless, it also emphasizes the importance for these entrepreneurs to address all three aspects of the TBL to fully optimize the impact of their ventures.

In sum, the synthesis of these findings underscores the critical relationship among social entrepreneurship, governance, and sustainable practices as viewed through the Triple Bottom Line (TBL) Theory. This framework advocates for a comprehensive approach that harmonizes social, environmental, and economic results, emphasizing the need to evaluate success beyond just financial metrics. By focusing on social equity, environmental responsibility, and economic sustainability, the findings indicate that social enterprises can significantly enhance their influence within their communities and ecosystems. Furthermore, this synthesis points to the importance of ongoing empirical research to deepen our understanding of these interactions and their implications for the effectiveness of social enterprises, especially in their ability to adeptly manage the complexities of TBL principles to foster sustainable growth and social impact.

6.1. Recommendations

- i. The results of this study indicate a significant demand for specialized training and educational programs aimed at cultivating competencies in sustainable entrepreneurship. Educational institutions and training organizations should develop curricula that integrate hands-on experiences, case studies, and mentorship opportunities to prepare both aspiring and current social entrepreneurs with the essential knowledge and skills to grasp sustainability principles. This approach can foster a new generation of leaders proficient in embedding sustainability within their business models. Training subjects may encompass sustainable supply chain management, ethical business practices, social impact assessment, and innovative solutions to social challenges. Such initiatives will enable entrepreneurs to implement sustainable practices effectively.
- ii. The study's findings highlight the necessity for stakeholders, including governments, non-profit organizations, and private sector entities, to establish support mechanisms that enhance

competencies in sustainable entrepreneurship. This support may take the form of grants for training programs, resources for skill enhancement, and platforms that promote networking and collaboration among social entrepreneurs. By nurturing an ecosystem that emphasizes sustainable entrepreneurship competencies, stakeholders can contribute to the development of more resilient and impactful social enterprises. Additionally, sustainable practices can be incentivized, encouraging financial institutions and investors to offer incentives for social enterprises and to fund initiatives within this sector.

- iii. Policymakers must recognize the relationship between sustainable entrepreneurship skills and the progress of social enterprises in the formulation of effective policies. Initiatives aimed at enhancing sustainability education, offering financial support for skill-building programs, and fostering collaborations between social enterprises and educational institutions can cultivate an environment conducive to the growth of social enterprises. Additionally, policies that incentivize sustainable practices and innovation can motivate entrepreneurs to cultivate skills that align with broader societal objectives. Furthermore, targeted policies promoting sustainable entrepreneurship at local, regional, and national levels should be implemented. This may involve supporting initiatives that offer funding, tax benefits, or grants to social enterprises that emphasize sustainability.
- iv. It is crucial to arrange networking events and forums that bring together entrepreneurs, investors, and stakeholders in the social enterprise sector. Such gatherings can encourage collaboration, enable the sharing of knowledge, and cultivate partnerships that improve sustainable practices.
- v. It is essential to establish mentorship programs that link experienced sustainable entrepreneurs with emerging or aspiring social entrepreneurs. These mentors can provide valuable guidance, share best practices, and support mentees in enhancing their sustainable skills.
- vi. Social entrepreneurs should be encouraged or trained to implement evaluation frameworks that assess their social impact and sustainability initiatives. This approach will enable entrepreneurs to gauge the effectiveness of their strategies and make informed, data-driven decisions to refine their business models.

6.2 Future Research Directions

The insights gained from these findings are significant; however, they also pave the way for additional research opportunities. Subsequent studies may investigate which particular competencies exert the greatest influence across various contexts or sectors within social enterprises. Furthermore,

longitudinal research could assess how the evolution of these competencies over time impacts the sustainability and growth of social enterprises. Gaining a deeper understanding of these dynamics can aid in refining strategies to effectively enhance sustainable entrepreneurship competencies.

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