





“Creating social entrepreneurship value for economic development”

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CREATING SOCIAL ENTREPRENEURSHIP VALUE FOR ECONOMIC DEVELOPMENT

Abstract

This study studies social entrepreneurial competencies, social values, and transformational leadership. They are a requirement during the COVID-19 pandemic. It arises to find out the effect of social entrepreneurship on social values and the influence of transformational leadership in memorizing the influence of social entrepreneurship on social values with a total of 200 respondents as social entrepreneurship leaders who have been announced in Indonesia. This study uses a quantitative method with a structural equation model (SEM) analysis tool in AMOS software. SEM analysis in this study uses the moderating SEM method with a mixed-methods approach. Data analysis has been carried out through data processing. The values obtained mean that higher social entrepreneurship will increase social value by 9.4%; if transformational leadership increases, a significance value of 0.85 is obtained. This value is greater than 0.05. It is proved that the role of social entrepreneurship fosters innovative abilities, proactive development, and the courage to take risks for the people in Indonesia and the impact of social values fosters social recognition, responsibility, and contribution to the economy with attitudes with potential transformational leadership behaviors as well as inspirational motivation, intellectual stimulation, and consideration of the community.

Keywords

social responsibility, leadership, social entrepreneurship,
commercial entrepreneurship, solving social issues,
business model, economy

JEL Classification A13, M21

INTRODUCTION

The concept of social entrepreneurship has been developing in Indonesia in recent years. In 2010, the Indonesian Social Business Association was established to identify social enterprises in a local or national context. In 2019, the Cooperatives and Small Community Businesses Ministry reported that the number of entrepreneurs in Indonesia increased from 3 (in 2017) to 5%. However, before, there were formal data regarding the number of social entrepreneurs in Indonesia. Several social entrepreneurship businesses have emerged from different age groups, educational backgrounds, and business fields with various competitions (Pratono & Sutanti, 2016). According to a parameter from the Global Entrepreneurship Monitor, the youth social entrepreneurship globally reaches an average of around 4.5% – ranging from 0.4% (Asia) to 11.6% (South America). Across the same region, the startup entrepreneurship rate ranges from 19.9% in India to 25.4% in the US. In terms of entry and operation levels, social enterprises are most active in the United States and China (30%), followed by sub-Saharan Africa (10%). Asia, including Indonesia, has the fewest social entrepreneurs (5%).

Currently, social entrepreneurship is a reasonably intense concern among academics, practitioners, and the public. In recent years, social

entrepreneurship's contributions to solving social, economic, cultural, ethnic, religious, and environmental problems have been recognized by an increasing number of experts. Attempts at solving social problems have been made by social entrepreneurs (Dees, 2011). Such issues are frequently the result of market failures (Austin et al., 2006). Therefore, social entrepreneurship aims to help reduce the causes and consequences of market failures on the social level. A social entrepreneurship project could also be an alternative to the charitable and public sectors when many socioeconomic needs have already been addressed (Mair & Martí, 2006).

Several articles concerning social entrepreneurs have inconsistencies when defining them conceptually (Dees, 2011). According to Mair and Martí (2006), social entrepreneurship is defined as a process or behavior. Ownership of a social enterprise is defined as providing tangible results during social entrepreneurship. The definition of social entrepreneurship differs depending on how it is understood (Dees, 2011). Typically, social entrepreneurship is conceptualized as a "social enterprise" with its initiative and goals. Any organization that generates revenue is considered a social enterprise, whether it is operating independently, part of a social enterprise, or working in conjunction with government subsidies and charitable donations. Another understanding of social entrepreneurship is social innovation, an initiative of corporate innovators whose objective is to address social issues. Rather than increasing income, the focus is on improving social outcomes (Austin et al., 2006).

1. LITERATURE REVIEW AND HYPOTHESES

1.1. Institutional theory

Several sociological and organizational theories offer interesting explanations of phenomena, including social enterprise (Hwang et al., 2019; Pillay & Kluyers, 2014). The role of institutional theory is to establish legitimacy for an organization instead of efficiency or effectiveness. Throughout history, legitimacy has even been a means of organizations obtaining and retaining resources (Williamson, 1991; Suddaby, 2010). It is also the goal behind organizationally widely observed compliance with expectations of key stakeholders (DiMaggio & Powell, 2000; Suddaby, 2015). Social expectations influence organizations by environmental cues (Brammer et al., 2012; Vayanos & Woolley, 2013).

DiMaggio and Powell (2000) suggest institutional entrepreneurship to explain how institutions arise and change. Typically, institutional entrepreneurs are interested in changing or creating existing institutions (Bruton et al., 2010; Voronov, 2014). Using resources to create or modify institutions is an essential hallmark of social entrepreneurship (Fredriksson et al., 2013). Grameen Bank or Sekem are examples of social entrepreneurship that change the status quo of long-established in-

stitutions or fields. It may turn out that the ability of social entrepreneurs to alter norms (for example, money cannot be lent without collateral, much less to the poor) is more important than the original issue they attempt to resolve (Dart, 2004; Mair & Martí, 2006; Yang & Su, 2014; Zilber, 2012).

1.2. Social entrepreneurship

Zahra et al. (2009) define that social entrepreneurship essentially involves identifying, defining, and exploiting opportunities to increase social wealth through businesses or existing organizations in innovative ways. Social entrepreneurship leads to social change through innovative ideas, as opposed to commercial entrepreneurship (Mair & Martí, 2006; Dees, 2011; Chell et al., 2010).

Social entrepreneurship is pictured out differently from two different perspectives. Skloot, the New Ventures consultancy founder, presents social entrepreneurship as a "social enterprise" initiative (Dwivedi & Weerawardena, 2018; Ebrashi, 2013; Hervieux et al., 2010). Regardless of sector, earned income strategies can be used to achieve the triple bottom line, whether on their own (as social enterprises) or as part of a revenue stream that includes charity donations and government subsidies (Huybrechts & Nicholls, 2012; Pless, 2012; Abu-Saifan, 2012). On the other hand, social entrepreneurship refers to innovations that alleviate social

problems through social change (Santos, 2012). It is more interesting to achieve social outcomes than to increase income. Dryton, the founder of Ashoka, employs a “change-maker” philosophy (Dees, 2011).

Mair and Martí (2006) state that social enterprises and change-makers fall on opposite ends of a continuum. In general, definitions combine two views moving towards a more inclusive approach (Shockley & Frank, 2011). Two different viewpoints define social entrepreneurship, both of which aim to maximize social impact and promote innovative methods for achieving its objectives (Mair, 2010). According to a broader understanding of social entrepreneurship, it involves the use of innovative techniques and combining resources to meet societal needs and to affect social change (Trivedi, 2010). The concept of social entrepreneurship allows social entrepreneurs to work in the public, private, and social sectors, using non-profit or hybrid forms of organizations to send a social message and affect social change (Crane et al., 2014).

As defined by Mair and Martí (2006), there are three main forms of social entrepreneurship. The concept of social entrepreneurship is that non-profit organizations facing the termination of government support, or the termination of financial assistance from individuals or private sector companies, are seeking ways to finance their activities. It describes the need for innovative solutions to find sources of financing so that socially beneficial activities can continue (Chell et al., 2010). In addition, social entrepreneurship emphasizes the importance of the individual who has an idea to improve the lives of others (Austin et al., 2006). The individual aspect focuses more on behavior as a social entrepreneur. Afterward, it is considered a form of social responsibility of a business entity through a jointly implemented process (Ebrashi, 2013). It is more commonly known as corporate social responsibility and is now emerging as corporate social entrepreneurship (Huybrechts & Nicholls, 2012).

1.3. The creation of social value

Commercial entrepreneurs prioritize economic value, while social entrepreneurs are concerned with improving the lives of others (Eccles &

Wigfield, 2020). Entrepreneurship and management literature focuses more on business value, rather than on value of individuals, companies, or communities (Nicholls, 2006; Lepak et al., 2007).

The emergence of value is not determined by the intrinsic value of goods (exchange value), but rather by the interaction, exchange, and fusion of resources (value-in-use) within a global context (Emerson, 1962). Lepak et al. (2007) use value and exchange value as two different things. The term “use value” refers to the characteristics of work, products, or services that satisfy customer needs, for example, performance or aesthetics characteristics on a new project, product, or service (Salvatierra-Garrido, 2011). Note that each assessment is subjective and unique to each individual. In essence, the second exchange value is the monetary amount received by a buyer in exchange for his purchase of new work, product, or service at a certain point in time (Di Domenico et al., 2010).

According to Emerson (1962), social values are related to interpersonal relationships, such as values associated with reciprocated expectations or values about the ability to communicate with others. A social value is the number of goods and services that organizations provide to help promote social objectives (Austin et al., 2006). In addition, Porter and Kramer (2011) note that social entrepreneurship emphasizes five specific values. A value is a subjective concept that depends on which experiences are relevant to a person (Fan, 2011). Essentially, value is the benefit one can deliver to the recipient of that value (Gallent, 2014). The second aspect of social values is the negotiation between stakeholders (Morris & Shin, 2002). The third aspect of social values is that they are contingent and capable of being reevaluated (Myatt & Wallace, 2015). The concept of social value brings together non-comparable elements that cannot be easily grouped into one measure, such as the relative significance of sustainability for future generations and income streams (Murphy et al., 2011). Values cannot be separated when it comes to social activities, as they are all integral to justice, freedom, and respect (Thye, 2000).

According to Porter and Kramer (2011), the concept of social value is a shared idea. Not just by the benefits it provides, but also by how shared its

value is, social entrepreneurship should be evaluated. The ways to create shared value are to evaluate products and markets, redefine productivity in the supply chain, and collaborate with local industry groups (Eccles & Wigfield, 2020). A naive concept is based on a superficial understanding of the role corporations play in society; the shared value concept is unoriginal, ignoring the tug-of-war inherent in responsible business activities (Di Domenico et al., 2010; Fan, 2011).

1.4. Transformational leadership

Jiang et al. (2017), Sadeghi and Pihie (2012), and Arthur and Hardy (2014) argue that transformational leadership essentially refers to the leader's ability to motivate the subordinates and achieve greater distinction than anticipated in their results and morale. The leaders who have the potential to become transformational in their workplaces can motivate people and increase productivity by implementing motivational techniques and incentives (Khalili, 2017; Fitzgerald & Schutte, 2010; Ghasabeh et al., 2015). A transformational leader recognizes opportunities and knows what to do with them (Porter & Kramer, 2011; Tyssen et al., 2014; Wang & Howell, 2010) and engages in innovative management to manage tensions and discourage unproductive works (Crane et al., 2014; Hansbrough & Schyns, 2018; Berkovich, 2016).

Felício et al. (2013) and Turnnidge and Côté (2018) demonstrate that organizations, where influential leaders and managers apply sustainable change practices, tend to adopt the practices more efficiently and become more effective at addressing organizational behavior problems. Thus, transformational leadership actions are associated with positive social change, resulting in social value creation (Hargis et al., 2011; Rolfe, 2011; Felício et al., 2013). Khalili (2017) and Wright and Pandey

(2010) argue that the core dilemma for leaders and managers is how to keep stability while adapting creatively to outside forces, changing assumptions, technologies, methods of work, roles, relationships, and organizational culture. Transformational leadership has a significant positive effect on creativity at the individual and peer levels with organizational innovation that affects performance (Jiang et al., 2017; Turnnidge & Côté, 2018; Tyssen et al., 2014). It arises to determine the influence of social entrepreneurship on social values and the influence of transformational leadership in moderating the influence of social entrepreneurship on social values.

1.5. Research model and hypothesis development

The research model proposed in this study is depicted in Figure 1.

Dees (2011) consider that social entrepreneurship refers to organizations that take risks and become innovative through their initiatives. The views of Mair and Martí (2006) and Hackman and Morris (1975) offer a holistic look at social entrepreneurship. Social entrepreneurship is the endeavor of finding solutions to social problems by combining resources, taking advantage of opportunities for social change, satisfying social needs, and creating social goods and services. A social value is a product or service produced by a non-profit with a social purpose, such as promoting community development, addressing equity issues in policy, or addressing another social concern (Austin et al., 2006).

A transformational leader uses various incentives to increase motivation and performance, such as idealized influence, individualized attention, and inspiration to motivate and stimulate employees.

Source: Chen and Miller (2012), Felício et al. (2013).

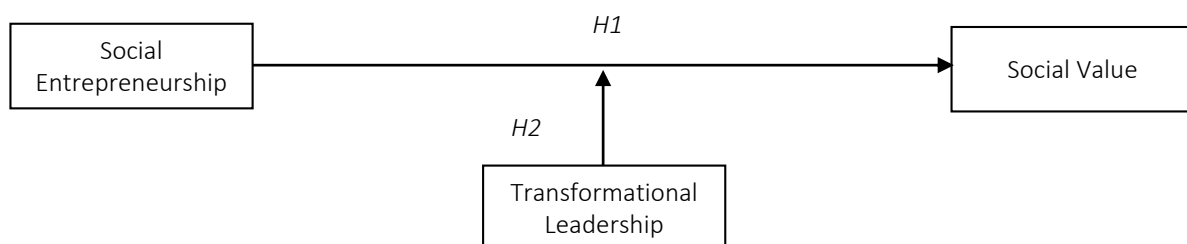


Figure 1. Research model

Felício et al. (2013) show that adopting sustainable change practices leads to organizational adaptability and more accessible learning, which improves agility and effectiveness. Transformational leadership action leads to positive social change and increases in social value. It has been found that transformational leadership can positively affect individuals and peers, along with organizational innovation. The growth of transformational leadership will further increase the social value of social entrepreneurship (Jiang et al., 2017; Khalili, 2017). Thus, the study elaborates the following hypotheses:

H1: Positive changes will take place in society as social entrepreneurship becomes more prominent.

H2: The higher the transformational leadership, the higher the social value.

2. AIMS

This study aims to test the relationship between social entrepreneurship, social value, and transformational leadership. In addition, this study explains how the present transformational leadership, which is expected to strengthen the relationship between higher social entrepreneurship, will further increase social value.

3. METHODOLOGY

This study examined the social value creation model by connecting the social entrepreneurship and social value variables. A descriptive quantitative approach was used. To conduct data collection, a questionnaire instrument was distributed to social entrepreneurs, either individuals or groups. Google form was used to design and distribute the questionnaire. Next, AMOS software was used to perform SEM analysis.

Three variables were used in this study:

- Social entrepreneurship (Independent variable). The concept of social entrepreneurship entails leveraging resources to create value by creating business models that address social

needs and encourage social change (Mair & Martí, 2006). Social entrepreneurship is measured using the dimensions of social innovation, which include innovativeness, proactivity, and courage or willingness to take risks to make a social impact.

- Social value (Dependent variable). The concept of social value refers to products and services provided by organizations that have social goals. It promotes community development, advocates for more equitable policies, or addresses other social issues (Austin et al., 2006). Three indicators measure social value: social recognition, social responsibility, and social contribution.
- Transformational leadership (Moderating variable). Transformational leadership involves a combination of incentives like idealized influence, individual attention, inspirational motivation, and intellectual stimulation that motivates and stimulates people's performance (Jiang et al., 2017; Khalili, 2017). Five dimensions characterize transformational leadership: the associated ideal influence, ideal influence behavior, inspirational motivation, intellectual stimulation, and considerations unique to each individual.

4. RESULTS AND DISCUSSION

4.1. Unidimensionality test: social entrepreneurship

An analysis of the latent variable social entrepreneurship used nine indicators. Confirmatory factor analysis (CFA) was used to test the unidimensionality of the variables (validity and reliability). In the CFA analysis, it was found that indicators 1, 2, 3, and 9 had a standardized loading factor value < 0.5, so that the three indicators were excluded because they could not be used to measure social entrepreneurship. Figure 2 shows the results of the CFA analysis with a standardized loading factor > 0.5 for social entrepreneurship.

In the measurement model, the significance of parameter estimators indicates whether the manifest variable (indicator) matches the measured latent

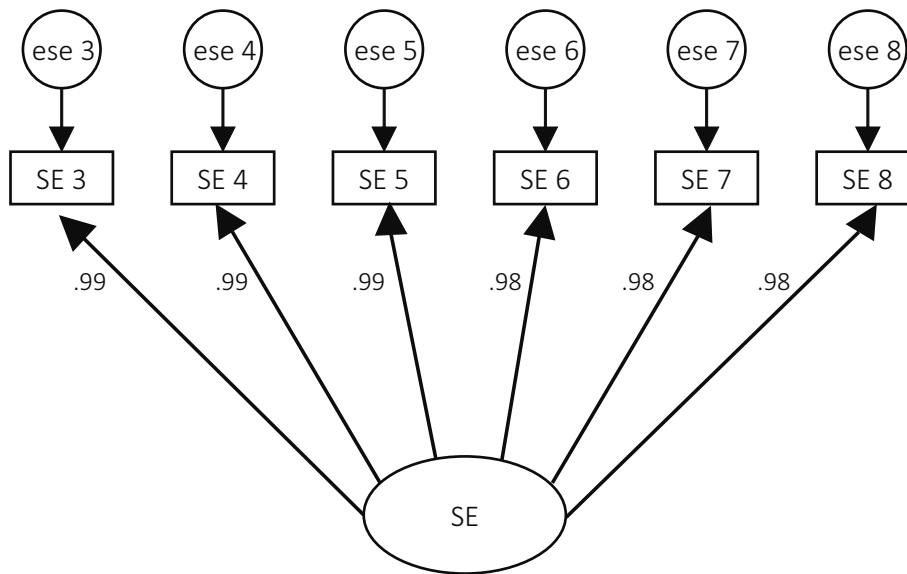


Figure 2. Path diagram of social entrepreneurship

variable. Comparing the probability value with the alpha value (0.05) ensures significant and valid results. The hypotheses are stated below:

H_0 : $\lambda_{jk} = 0$ (Loading factor is not significant in measuring latent variables).

H_1 : $\lambda_{jk} \neq 0$ (Loading factor is significant in measuring latent variables).

Table 1 shows the loading factor values and significance tests of each indicator.

The next step in the unidimensionality check is the reliability test. As long as the validity of the indicators in the model is good, construct reliability scores of 0.70 or more indicate good reliability, while reliability scores of 0.60 to 0.70 are still acceptable. Based on construct reliability, the following formula can be used:

$$CR = \frac{(\sum_k \lambda_{jk})^2}{(\sum_k \lambda_{jk})^2 + \sum_k var(\delta_{jk})} = \frac{(6.89)^2}{(6.89)^2 + 0.216} = 0.995. \tag{1}$$

The construct reliability value for social entrepreneurship is more than 0.7, which is 0.995. Therefore, it is considered that social entrepreneurship is a highly reliable latent variable.

4.2. Unidimensionality test: social value

The latent variable social value is measured using nine indicators. Confirmatory factor analysis (CFA) was conducted to determine whether the variables were unidimensional (validity and reliability). In the CFA analysis, it was found that the

Table 1. Validity of loading factor and significance of social entrepreneurship

Factors	Estimate	Alpha	Conclusion
SE3 ← Social entrepreneurship	0.989	0.00	Significant
SE4 ← Social entrepreneurship	0.989	0.00	Significant
SE5 ← Social entrepreneurship	0.992	0.00	Significant
SE6 ← Social entrepreneurship	0.978	0.00	Significant
SE7 ← Social entrepreneurship	0.979	0.00	Significant
SE8 ← Social entrepreneurship	0.982	0.00	Significant
SE9 ← Social entrepreneurship	0.982	0.00	Significant

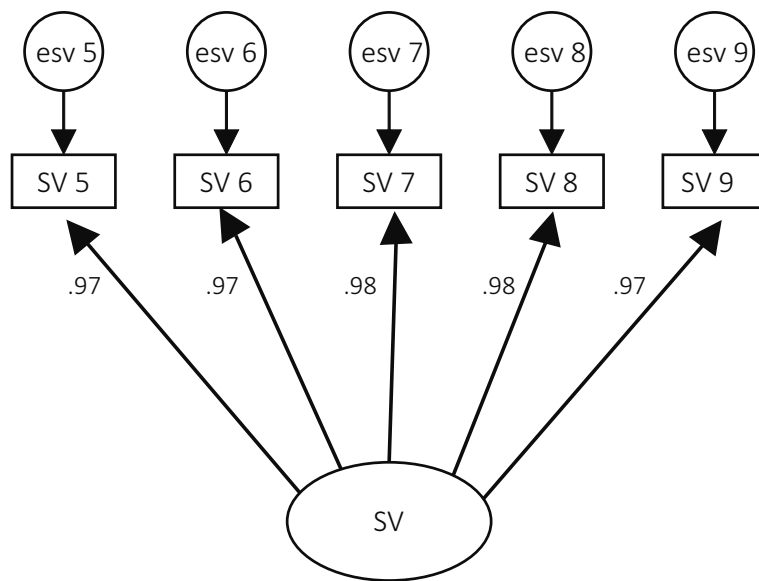


Figure 3. Path diagram of social value

1st, 2nd, 3rd, and 4th indicators had a standardized loading factor value of < 0.5 so that the four indicators were excluded because they could not be used to measure social value. Figure 3 shows the results of the CFA analysis with a standardized loading factor > 0.5 for social value.

In the measurement model, the significance of parameter estimators indicates whether the manifest variable (indicator) matches the measured latent variable. Comparing the probability value with the alpha value (0.05) ensures significant and valid results. The hypotheses are stated below:

H_0 : $\lambda_{jk} = 0$ (Loading factor is not significant in measuring latent variables).

H_1 : $\lambda_{jk} \neq 0$ (Loading factor is significant in measuring latent variables).

Table 2 shows the loading factor values and significance tests of each indicator.

The next step in the unidimensionality check is the reliability test. As long as the validity of the indicators in the model is good, construct reliability scores of 0.70 or more indicate good reliability, while reliability scores of 0.60 to 0.70 are still acceptable. Based on construct reliability, the following formula can be used:

$$CR = \frac{(\sum_k \lambda_{jk})^2}{(\sum_k \lambda_{jk})^2 + \sum_k var(\delta_{jk})} = \quad (2)$$

$$= \frac{(4.875)^2}{(4.875)^2 + 0.247} = 0.989.$$

The construct reliability value of the social value shows more than 0.7, which is 0.989. So that the latent variable of social value is said to have a good level of reliability.

Table 2. Validity of loading factor and significance of social value

Factors	Estimate	Alpha	Conclusion
SV5 ← Social value	0.969	0.00	Significant
SV6 ← Social value	0.973	0.00	Significant
SV7 ← Social value	0.982	0.00	Significant
SV8 ← Social value	0.98	0.00	Significant
SV9 ← Social value	0.971	0.00	Significant

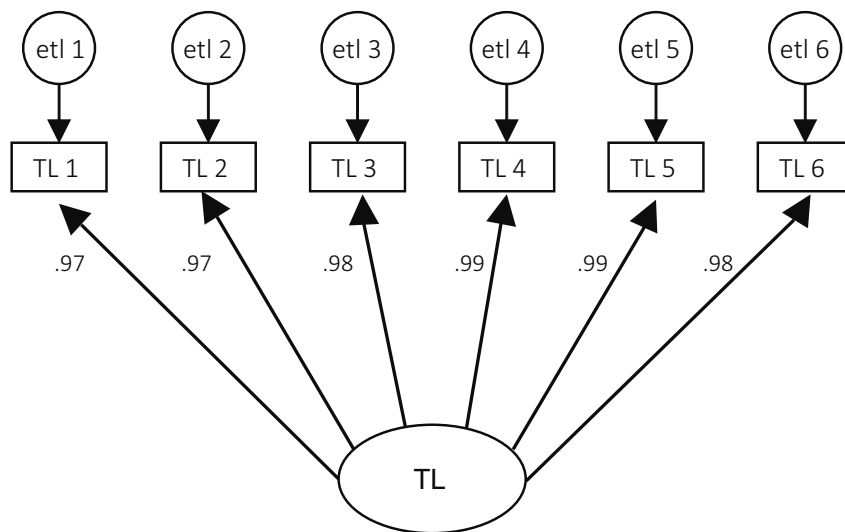


Figure 4. Path diagram of transformational leadership

4.3. Unidimensionality test: transformational leadership

An assessment of transformational leadership was conducted using 15 indicators. Confirmatory factor analysis (CFA) was conducted to determine the unidimensionality of the variables (validity and reliability). In the CFA analysis, it was found that the indicators to questions 7 to 15 had a standardized loading factor value of < 0.5 so that the nine indicators were excluded because they could not be used to measure transformational leadership. Figure 4 shows the results of the CFA analysis with a standardized loading factor > 0.5 for transformational leadership.

In the measurement model, the significance of parameter estimators indicates whether the manifest variable (indicator) matches the measured latent variable. Comparing the probability value with the alpha value (0.05) ensures significant and valid results. The hypotheses are stated below:

H_0 : $\lambda_{jk} = 0$ (Loading factor is not significant in measuring latent variables).

H_1 : $\lambda_{jk} \neq 0$ (Loading factor is significant in measuring latent variables).

Table 3 shows the loading factor values and significance tests of each indicator.

The next step in the unidimensionality check is the reliability test. As long as the validity of the indicators in the model is good, construct reliability scores of 0.70 or more indicate good reliability, while reliability scores of 0.60 to 0.70 are still acceptable. Based on construct reliability, the following formula can be used:

$$CR = \frac{(\sum_k \lambda_{jk})^2}{(\sum_k \lambda_{jk})^2 + \sum_k var(\delta_{jk})} = \frac{(5.913)^2}{(5.913)^2 + 0.172} = 0.995 \tag{3}$$

Table 3. Validity of loading factor and significance of transformational leadership

Factors	Estimate	alpha	Conclusion
TL1 ← Transformational leadership	0.997	0.00	Significant
TL2 ← Transformational leadership	0.970	0.00	Significant
TL3 ← Transformational leadership	0.984	0.00	Significant
TL4 ← Transformational leadership	0.990	0.00	Significant
TL5 ← Transformational leadership	0.992	0.00	Significant
TL6 ← Transformational leadership	0.980	0.00	Significant

The construct reliability value of transformational leadership shows more than 0.7, which is 0.989. So that transformational leadership is said to have a good level of reliability.

4.4. Relationship between social entrepreneurship, leadership, and social value

The subsequent analysis is conducting the SEM analysis of the relationship between social entrepreneurship, leadership, and social value. The study examines two hypotheses, namely.

H1: The higher the social entrepreneurship, the higher the social value (it will be tested whether the higher entrepreneurship variable will increase social value).

H2: The more social value is created through transformational leadership, the higher social entrepreneurship is (higher social entrepreneurship will increase the social value if transformational leadership increases, the transformational leadership functions as a moderating variable. Social entrepreneurship and social values are related through the presence of this moderating variable).

4.5. Data normality test

Table 4. Normality test

Variable	min	max	skew	c.r.	kurtosis	c.r.
MTLSE	-.079	9.916	2.649	15.297	6.859	19.800
AVTL	1.000	5.000	1.135	6.555	.558	1.611
SV9	1.000	5.000	1.072	6.190	.417	1.203
SV8	1.000	5.000	1.148	6.626	.576	1.662
SV7	1.000	5.000	1.116	6.444	.486	1.402
SV6	1.000	5.000	1.161	6.701	.607	1.752
SV5	1.000	5.000	1.131	6.532	.539	1.557
SE8	1.000	5.000	1.262	7.284	1.125	3.249
SE7	1.000	5.000	1.269	7.326	.981	2.833
SE6	1.000	5.000	1.296	7.483	1.076	3.105
SE5	1.000	5.000	1.216	7.022	.856	2.472
SE4	1.000	5.000	1.264	7.299	1.119	3.230
SE3	1.000	5.000	1.270	7.333	1.107	3.197
Multivariate					441.214	157.980

Table 5. Hypothesis testing

Hypothesis	Estimate	Sig. Value	Alpha	Conclusion
Higher social entrepreneurship results in increased social value	0.094	0.022	0.05	Accepted
If transformational leadership rises, social entrepreneurship will increase	-0.003	0.85		Rejected

An analysis of the SEM model begins with determining whether multivariate normality is assumed or not to proceed with further processing. Distribution normality is determined by skewness and kurtosis. If the variables have skewness coefficients between -2 and 2, and kurtosis coefficients between -10 and 10, then the distribution is normal.

Table 4 shows the multivariate data normality test results based on the skewness and kurtosis values, so the assumption of standard multivariate data can be affirmed.

4.6. SEM moderating analysis

An integrated mixed-methods SEM approach was used for this study. The results of the analysis presented in Figure 6 suggest that the use of SEM analysis with the moderator variable, transformational leadership, strengthens the relationship between social entrepreneurship because the latter is higher and increases the social value.

The results of hypothesis testing based on Figure 5 are presented in Table 5.

The first hypothesis test determines whether a higher level of social entrepreneurship would en-

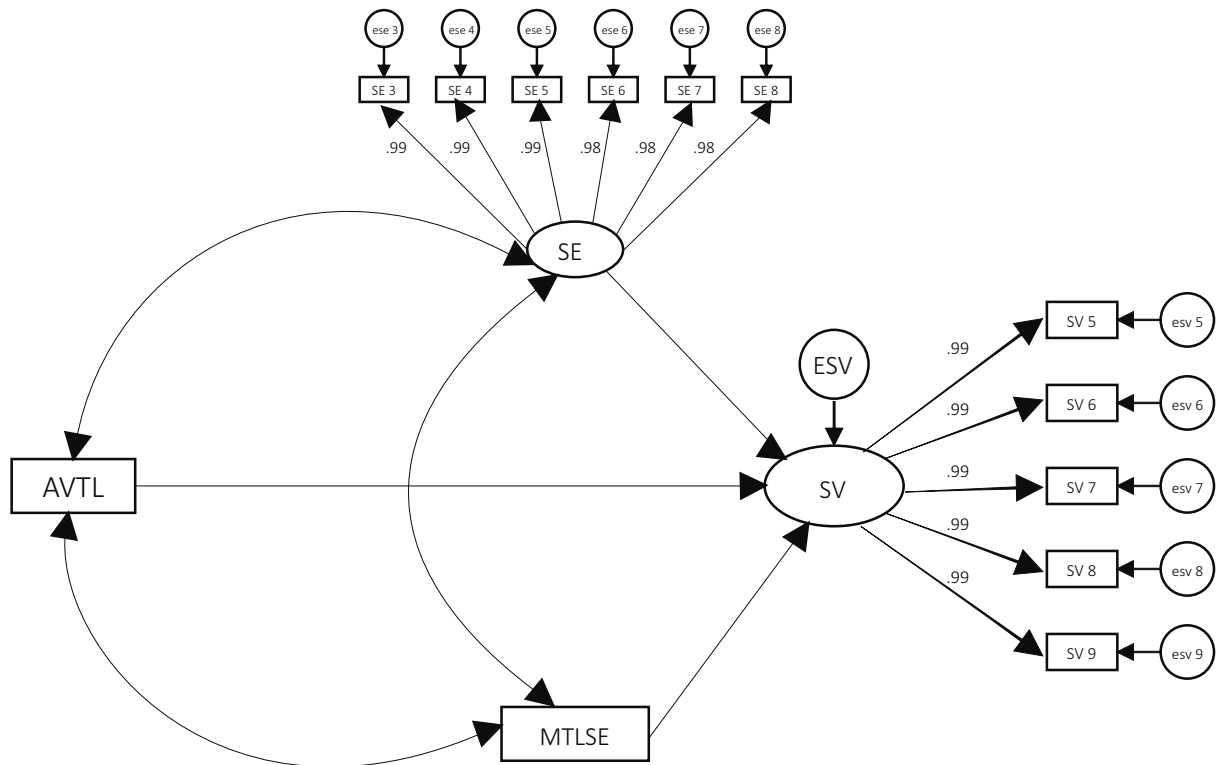


Figure 5. Moderating SEM analysis with a mixed-method approach

Table 6. The goodness of fit test

No.	The goodness of fit index	Cut-off value	Obtained value	Result
1	χ^2 / Chi-Square		265.266	Passed
2	Significance probability	≥ 0.05	0.000	Not passed
3	GFI	≥ 0.90	0.795	Not passed
4	AGFI	≥ 0.90	0.694	Not passed
5	TLI	≥ 0.95	0.310	Not passed
6	CFI	≥ 0.95	0.46	Not passed
7	RMSEA	≤ 0.08	0.130	Not passed

hance social value, resulting in a significance value of 0.022. In this case, the hypothesis is significant or proved since the value is lower than 0.05. The coefficient value is 0.094. This value means that higher social entrepreneurship will increase the social value by 9.4%. For social entrepreneurship, the significance value is 0.85; this value is more significant than 0.05. It can be concluded that the hypothesis is rejected.

4.7. The goodness of fit test

This test is used to see if the developed model matches the data. Table 6 shows the items used for this test.

In light of the model suitability results, it appeared that the model failed to meet a few of the required criteria.

CONCLUSION

This study was designed to examine the relationship between social entrepreneurship and social values and to investigate the relationship between social entrepreneurship, transformational leadership, and social value resulting from the discussion of social entrepreneurship, which when suc-

Successful will increase social value if transformational leadership is not demonstrated. Results of social entrepreneurship recognize obstacles as opportunities for creating new profitable business models that benefit the community. Results are not measured by material benefits or customer satisfaction, but rather by how effectively the ideas can be implemented. Despite economic progress, environmental and social problems still plague Indonesia. In addition, the local community can play an important role in helping the government address many of these issues. The roles of the surrounding community that can be done are to carry out social entrepreneurship activities, namely carrying out a business activity that can help social problems. Social entrepreneurship is becoming an interesting phenomenon for now, because it has many differences from traditional entrepreneurship. If traditional entrepreneurship is more focused on material benefits and customer satisfaction, social entrepreneurship involves various sciences in development and practice in the field. Although many people think that social entrepreneurship is just a social activity, it is actually a business activity. As a business, social entrepreneurship is inseparable from business principles in general and social entrepreneurship also requires measuring tools to attract investors in developing the business.

The issue of financial and institutional sustainability has always been the biggest challenge for social entrepreneurship. Two alternative partnerships can be developed by social entrepreneurship, namely partnerships with public institutions and partnerships with corporations. It requires cooperation and networking with many parties for a social business to be sustainable. Government, society, and business institutions should have a concern about the survival of social entrepreneurship in Indonesia, as social entrepreneurship plays a significant role in absorbing skilled workers and people who do not have access to formal employment in Indonesia. In the process of building social entrepreneurship, opinions, research results, and cases are multiplied and can be used as a reference. The area is in its early stages of development, but it is immensely needed. Given the many social problems, as a result of inequality in economic development and the limited ability of the government to solve social problems, it is a very real challenge for the academic world, practitioners, and clergy to increase involvement in finding solutions to social problems that occur around us.

AUTHOR CONTRIBUTIONS

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