

# The Effect of Social Entrepreneurship Orientation Towards Sustainability Performance in Indonesia: A Pilot Study

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## ABSTRACT

To date, there have been limited discussions and constructs on the effect of the entrepreneurial orientation of social entrepreneurs on sustainability performance in emerging countries. Thus, the purpose of this study was to examine the social entrepreneurship orientations of proactiveness, risk-taking, innovativeness, and socialness in relation to sustainability performance. A pilot study was conducted with 33 Indonesian social entrepreneurs in selected urban cities to test the validity and reliability of social entrepreneurship orientation that incorporated social resources and capabilities as well as sustainability performance. The data was examined using the partial least square structural equation modeling (PLS-SEM) method. The factor loading was used to derive the reliability criteria. The results revealed that factor loading, and average variance extracted (AVE) were adequate which means the convergent was valid. Composite reliability (CR) and Cronbach's Alpha that were used to test the reliability were also valid. In addition, heterotrait–monotrait criteria (HTMT) were utilized to establish the discriminant validity of the instruments. The findings concluded that the PLS-SEM evaluation of validity and reliability revealed that the scales employed in this study are statistically valid and reliable.

**Keywords:** Social entrepreneurship, Social resource-based view (SRBV); Partial least squares structural equation modeling (PLM-SEM), Pilot study.

## INTRODUCTION

Scholars argue that social entrepreneurs should adopt an entrepreneurial orientation in order to accomplish their social goal more successfully (Pinheiro et al., 2021; Schmidt et al., 2015). For the past decades, scholars have defined social entrepreneurship orientation (SEO) objectives and determining the variables that would further stimulate the objective. This is due to the fact that SEO has an underlying goal of creating social impact, and developing behavior characteristics that aim to solve societal problems (Gali et al., 2020; Lumpkin et al., 2018).

SEO measurement scales have been constructed in several ways. Satar and Natasha (2016) developed the scales based on the three primary dimensions of EO (innovativeness, risk taking and pro-activeness) with the additional dimension of social mission or socialness. Whereas Ameer and Khan (2020) added the importance of developing a strategic orientation that links SEO with sustainability performance as in economic, environmental, and social performance.

Despite the fact that SEO has been the subject of discussion by many scholars, there is a limited amount of academic interest in both theory and practice of SEO (Halberstadt et al., 2020), and there is no unified scale assessing SEO in the existing literature (Satar and Natasha, 2019). A substantial theoretical foundation and the absence of a profit-driven