

The Importance of Social Entrepreneurship Orientation and Social Salience on Hospital Performance: The Mediating Role of Business Planning

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Abstract

The purpose of this study is to discover the internal resources that have a significant impact on the performance of social enterprises. This study is quantitative research. The population in this study is a hospital in Pekanbaru City, Riau Province, Indonesia. Twenty-nine hospitals were taken as samples for the study using a purposive sampling technique. SEM-PLS was used to evaluate the data obtained. The result showed that hospital performance was significantly influenced by social entrepreneurship orientation and business planning. Although social salience has a considerable impact on the hospital's social performance, it has no direct impact on its financial performance. This finding reflects the hospital's current state as a complicated organization with challenges balancing financial and social performance. Business planning acts as a mediator that significantly affects the relationship between resources and hospital performance. Therefore, the complexity of the hospital hybrid business requires business planning to balance the two performances. These findings can help hospital management determine the hospital's strategic direction and provide model guidance for hospital investors, policymakers, and researchers.

Keywords: *Social entrepreneurship orientation, social salience, business planning, social enterprise performance, hospital.*

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INTRODUCTION

The concept of social entrepreneurship has emerged and developed since 1980, generally starting first with individual actions or activities. Along the way, after the activity has grown in scope and dynamics, there is an institution that works specifically and is in charge of it. The organization that oversees social entrepreneurship activities is then commonly referred to as a social enterprise. In the current literature, a social business is defined as an organization that attempts to answer social problems in a creative and economically self-sustaining manner (Seelos & Mair, 2005; Yunus,

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2007). According to numerous expert viewpoints, a social enterprise is an entity that prioritizes social mission in its actions while not neglecting its financial mission (Austin et al., 2006; Zahra et al., 2008). An organization that is independent in generating income, but its profits are principally reinvested to carry out its social mission (Kim & Moon, 2017). Social enterprises are possible for-profit or non-profit if they can serve the public or society, and can have various legal forms in the form of public, private, or third sectors. Social enterprise is engaged in various fields including housing, technology & agriculture, crafts, finance, waste treatment, and health.

Social enterprise as organizational behavior that implements commercial strategies to maximize improvements for social purposes rather than maximizing profits for certain parties faces various challenges including difficulties in balancing between generating revenue and providing social impact, funding problems, and difficulties in finding quality human resources (Peteraf & Barney, 2003; Peredo & McLean, 2006). Several previous studies have revealed several resources that affect social enterprises' performance. Research conducted by Cheah et al., (2019) using the Resource-Based View (RBV) theory explains that entrepreneurial orientation and business planning significantly affect financial performance and social performance. Social salience significantly affects organizational social performance but does not significantly affect organizational financial performance. Felício et al., (2013) found that organizational performance is influenced by social entrepreneurship and social value. Furthermore, Lortie et al., (2017) discovered that social salience has a favorable impact on the social performance of social organizations.

In a constantly changing industrial environment, entrepreneurial orientation can be integrated with the concept of social impact to increase the competitiveness of social enterprises which in turn has an impact on organizational performance and sustainability (Sam Liu & Huang, 2020). Social salience indicates the intentions of the business founder to pursue organizational social outcomes (Lortie et al., 2017). According to Battilana et al., (2015), the social paradigm has a favorable link with the social performance of social enterprises but has an indirect negative impact on economic productivity. From the resource-based perspective, the social salience possessed by the founders of a social enterprise can be turned into social goals and strategic planning will increase effort and motivation in running a social enterprise. Business planning is a delicate balancing act that necessitates strategic contemplation and analysis on the part of managers and stakeholders to achieve long-term success by combining business strategies.

A social enterprise, such as a hospital, is an institution that prioritizes its social goal in its actions while also keeping its financial mission in mind. An organization that is independent in generating income, but its profits are principally reinvested to carry out its social mission (Barney, 1991). Therefore, hospitals are required to be able to balance social missions and the hospital's financial sustainability.

In this era of globalization, people's demands for quality public services are non-negotiable. According to paragraph (1) of Article 28 H of the 1945 Constitution (Undang-Undang Dasar Republik Indonesia Tahun 1945), every individual has the right to obtain health services, and the hospitals are the main facilities for health services which are the referral link for health services.

Data from the General of Health Services of the Indonesian Ministry of Health (Kementerian Kesehatan Republik Indonesia, 2020) stated that 51.6% of the 2,877 hospitals in Indonesia are classified as class C. Then, the ratio of the number of beds to 1,000 inhabitants in Indonesia in 2019 has reached the minimum standard by World Health Organization (WHO). However, Riau province has not yet met this standard with a bed ratio of 0.98. In addition, from data from the Planning and Budget Bureau, the Indonesian Ministry of Health (Kementerian Kesehatan Republik Indonesia, 2020) the realization of the 2019 Physical Special Allocation Fund for Riau Province was only 49.42% and Riau Province was in the 3rd lowest position.

Based on the government report on Riau Government Performance Report 2020 (Dinas Kesehatan Kota Pekanbaru, 2020), the Pekanbaru city health office 2019 has implemented all the programs that have been set as the implementation of the 2017-2022 Strategic Plan and 2019 Work Plan with the achievement of performance indicators still less than expected, which from 30 performance indicators, only 19 target indicators have met the set targets. Based on this information, it can be concluded that hospitals, as the primary health center facilities, particularly in Pekanbaru, are still unable to deliver the superior service as obliged by legislation. This can be seen in terms of hospital facilities and services, government hospital budget realization, etc which are attached to the 2020 government report on LKIP Pekanbaru City Health Office.

Based on the above problems which are illustrated in the 2019 Indonesian health profile, the researchers are interested in conducting research at the Hospital in Pekanbaru City to find out the resources that significantly contribute to the performance of the hospital as a social enterprise. This study follows Cheah et al., (2019), but in this study, researchers used the variable social entrepreneurship orientation so that the measurement indicators focused more on social organization. In this study, the researcher used a social entrepreneurship orientation variable by Dwivedi & Weerawardena (2018) that included 6 (six) indicators: innovation, proactiveness, risk management, effectual orientation, social mission orientation, and sustainability orientation.

As a hybrid enterprise, it's fascinating to see how hospitals use business principles to advance social goals, given that the organization's long-term viability is dependent on its capacity to fulfill both social and financial goals.

Organizational performance is generally analyzed using the RBV concept, including social entrepreneurship Dees (1998). Like profit organizations and nonprofit organizations, hybrid entities such as social enterprises also take advantage of their available resources to increase competitive advantage and reduce dependence on certain resources to improve efficiency and sustainability. RBV can be generalized to the context of nonprofit organizations but must include two dimensions, namely social and financial performance (Coombes et al., 2011).

Therefore, it can be concluded that RBV theory explains how companies control their resources and capabilities to be able to form strategies, as well as understand, select and improve the implementation of business strategies, to improve company performance. As a result, the RBV theory is used to explain the relationship between social entrepreneurial orientation, social salience, and business planning, which is intended to increase company performance.

Social entrepreneurship orientation is the behavioral orientation of social business actors in solving social problems by increasing their contribution and competitiveness to achieve performance and sustainability (Mair & Martí, 2006). With a social entrepreneurship orientation, the company continuously acts, renews, and is innovative and constructive by empowering resources and creating new resources in response to various internal and external contexts as well as existing risks, this will contribute to the company which is reflected in good company performance (Dacin et al., 2011). Dwivedi & Weerawardena (2018) and Weerawardena & Sullivan Mort (2006) explain that social entrepreneurship orientation is a strategic behavioral orientation that aims to resolve failures in the social world and create greater social value to maximize the social impact itself.

Hospitals are capital-intensive, technology-intensive, and labor-intensive institutions so hospital management is not merely a social unit. Social enterprises must survive to fulfill their social objective. As a result, financial sustainability is required to run a social project. Hospitals must have a social entrepreneurship orientation to achieve financial and social performance.

According to researchers, entrepreneurship is a critical process for an organization's effectiveness and survival (Barringer et al., 2016; Hitt et al., 2001; Miller, 2011). Some studies have found a positive relationship between entrepreneurial orientation and social enterprise performance. Social Entrepreneurship Orientation affects the process of improving financial performance, according to research conducted by (Sam Liu & Huang, 2020) in Taiwan. It is stated in a study by Liu et al., (2014) that marketing competence has a beneficial impact on the financial performance of social enterprises. Likewise, Cho & Kim (2017) also found that entrepreneurship has a positive relationship with the economic performance of social enterprises. Cheah et al., (2019) in their research revealed that taking an entrepreneurial approach to social enterprises improves their financial success.

Furthermore, Felício et al., (2013) discovered that both social entrepreneurship and social value had an impact on organizational performance. Meyskens et al., (2010) also stated that the operational process by social entrepreneurs in utilizing available resources, such as commercial entrepreneurs, is highly recommended. This study shows a positive relationship between the size of the partnership, capital, innovation, organizational structure, and knowledge transfer on social performance in a social organization.

According to Coombes et al., (2011), entrepreneurial orientation has only a positive impact on social performance. In this research, the researcher used the Social Entrepreneurship Orientation variable by Dwivedi & Weerawardena (2018) so that the measurement indicators focused more on social organizations.

It may be inferred, based on the findings of the preceding study, that social entrepreneurship orientation affects performance. Therefore, the hypotheses are:

H1: Social entrepreneurship orientation has a positive effect on financial performance.

H2: Social entrepreneurship orientation has a positive effect on social performance.

Social salience is a unique and rare resource of social entrepreneurs in the form of intentions and interests of business owners to achieve organizational social outcomes. The greater intention of the business founder is to realize social goals, which means that the company has high social salience and the organization will tend to prioritize its contribution to social values. Thus, the company will be able to achieve its social performance by providing social values for society and the environment.

A high social salience value makes organizations tend to prioritize their contribution to social values, so organizations tend not to focus on the company's financial values because they consider social values to be more important than the company's financial values. But in the long term, socially focused organizations will also improve their financial aspects because the financial aspects can support the organization to carry out its social aspects. The advantages of business founders in seeking organizational social aims are referred to as social salience (Lortie et al., 2017). According to the findings of Felício et al., (2013), social value has a positive impact on organizational performance. It may be inferred, based on the findings of the preceding study, that social salience affects performance. Therefore, the hypotheses are:

H3: Social salience has a positive effect on financial performance.

H4: Social salience has a positive effect on social performance.

Business planning has an important role in running the organization and making decisions. For this reason, social enterprises can use coordinated strategic planning with different implementation technique approach formats based on the social enterprise needs. Business planning is a delicate balancing act that necessitates strategic planning and analysis by managers and stakeholders to achieve long-term results.

The change of a hospital from a social unit to a socio-economic unit has an impact on the complexity of the hospital organization and has the potential to cause conflict if the relationship between the owner, manager, and medical staff is not properly regulated, so a business plan is needed. It will be possible to improve the performance of social businesses by executing a social entrepreneurship strategy as specified in a business plan and managed by professionals. With the correct business plan, social enterprises can compete in the open market by providing low-cost products or services.

To run a business and achieve the company's vision and mission, the company must be able to manage and control company resources. For that, companies must have a business plan. Social enterprises can get resources that are crucial to their organization, as well as control operating costs, by using business planning (Ruvio & Shoham, 2011), also to arrange social events, and increasing social performance (Sanchis-Palacio et al., 2013). It may be inferred, based on the findings of the preceding study, that business planning affects performance. Therefore, the hypotheses are:

H5: Business planning has a positive effect on financial performance.

H6: Business planning has a positive effect on social performance.

Managerial social entrepreneurship orientation is an organizational resource that is owned to be able to achieve increased performance. Social entrepreneurship orientation makes managers more creative, willing to take risks and proactive in various situations and can analyze opportunities that arise. However, this of course must be supported by competent managerial skills in managing and utilizing essential resources, in this case, business planning acts as a managerial tool in managing these resources.

As a result, the company's ability to identify opportunities, be proactively, and accept risks helps managers in putting critical resources to work so that the business may achieve greater results. This is supported by research conducted by Ruvio & Shoham, (2011) which proves that business planning has a role as a mediator between entrepreneurial orientation and organizational performance.

The empirical studies of Smith et al., (2001) and Frese et al., (2007) have tested and proven that business planning is a mediator between resources and organizational performance. According to Cheah et al., (2019), business planning has a considerable impact on the association between entrepreneurial orientation and organizational performance. It may be inferred, based on the findings of the preceding study, that business planning can be a mediator between the resources owned by the social enterprise and performance. Therefore, the hypotheses are:

H7: Social entrepreneurship orientation affects the financial performance mediated by business planning.

H8: Social entrepreneurship orientation affects the social performance mediated by business planning.

By prioritizing social values in their strategies and achievements, business founders who have social salience as a unique and rare resource will be encouraged to make their organizations socially oriented (social enterprise). Entrepreneurs who improve social salience effectively design organizational goals that will increase effort and motivation to achieve company goals. The existence of social salience supports organizations in determining their business plans, which will then affect organizational performance. As a result, organizational performance will improve as a result of the effort and motivation derived from social salience as established by the founder and implemented into strategic planning.

Entrepreneurial orientation and social salience represent the form of forming the company's overall strategy including business practices, and company establishment, which will ultimately determine organizational performance. Research conducted by Ruvio & Shoham, (2011) proves that business planning has a mediation role between social salience and organizational performance. It may be inferred, based on the findings of the preceding study, that business planning can be a mediator between social salience and performance. Therefore, the hypotheses are:

H9: Social salience affects the financial performance mediated by business planning

H10: Social salience affects the social performance mediated by business planning.

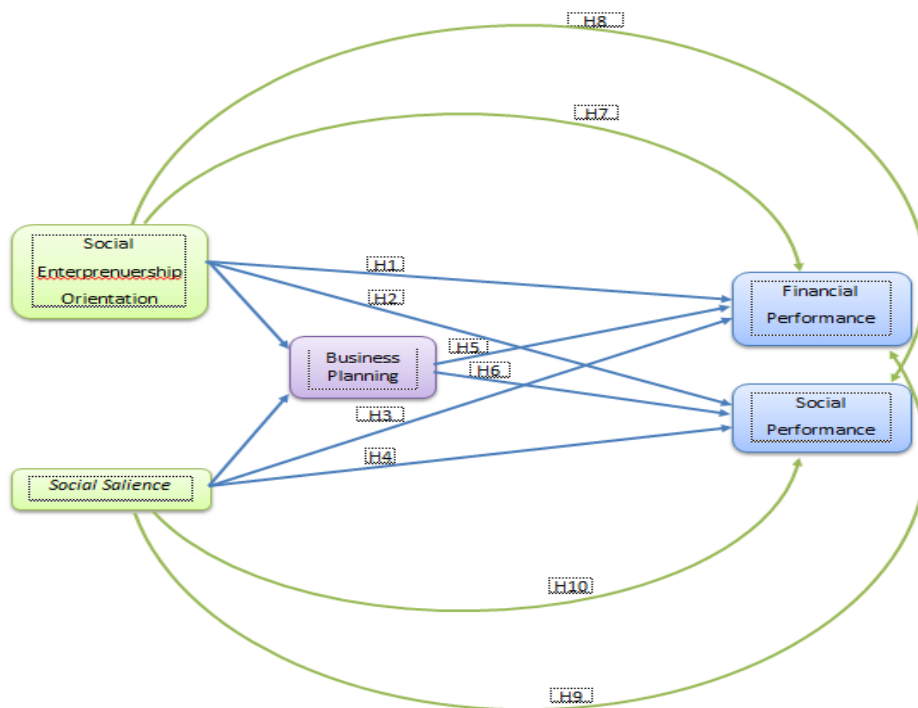


Figure 1. Research Framework

RESEARCH METHOD

This research employs quantitative methodologies as well as primary data. Data were obtained through questionnaires given to the President Director, Finance Director, and Hospital Operations Director as research respondents. The population in this study is a social enterprise engaged in health services or hospitals in the city of Pekanbaru, totaling 32 hospitals (Dinas Kesehatan Kota Pekanbaru, 2020). The samples in this study were Mental Hospital, General Hospital, and Maternity Hospital in Pekanbaru City. This study did not include the Special Hospital because the Special Hospital only served 1 health service specifically (eg, the SMEC Pekanbaru Eye Hospital). Because two specialist hospitals (eye hospitals) and one hospital had closed out of the total 32 populations, the total sample used in this study was 29 hospitals with a total of 87 respondents.

The exogenous variables used in this study consisted of social entrepreneurship orientation and social saliency. The endogenous variables are business planning as a mediator and organizational performance. The detailed indicator of each operational variable is placed in the appendix.

Table 1. Operational Definition of Variables

No	Variable	Definition	Measure
1.	Social Entrepreneurship Orientation	Behavioral orientation strategies aim to resolve failures in the social world and increase social value to expand social impact (Dwivedi & Weerawardena, 2018).	5 Likert – scale
2.	Social Saliency	Entrepreneur’s social intentions when setting up a company and making it one of the company’s goals (social outcomes) (Lortie et al., 2017).	5 Likert – scale
3.	Business Planning	The activity of gathering business data to make decisions and take advantage of new opportunities within an organization (Barraket et al., 2016).	5 Likert – scale
4.	Organizational Performance	The overall achievement of the organization in economic (financial) and social context (Liu et al., 2014).	5 Likert – scale

This study used the Likert scale. The data obtained were analyzed using SEM-PLS. There are 2 analyzes namely, descriptive and inferential statistical analysis. Descriptive statistical analysis in this study is using a frequency distribution table that shows the min, max, mean, and standard deviation values. The outer model testing, inner model testing, and hypothesis testing are all used in inferential statistical analysis.

The outer model testing is performed to determine the model's validity and reliability. Convergent and discriminant validity are used to test the construct. Convergent validity criteria are loading factor >0.5 (Chin, 1998) and Average Variance Extracted (AVE) >0.5 (Ghozali & Latan, 2015). If the square root of each construct's AVE is greater than the correlation value of the other constructs in the model, the discriminant validity is good. The reliability criteria are composite reliability >0.7 (Sholihin & Ratmono, 2013) and Cronbach’s alpha 0.5 (Chin, 1998).

The inner model testing includes a model fit test, R², and path coefficient. Furthermore, while applying the path coefficient to test hypotheses, if the p-value is less than 0.05, the hypothesis is accepted; if the p-value is greater than 0.05, the hypothesis is rejected.

RESULTS AND DISCUSSION

Result

Descriptive Statistic Analysis

There are 39 questionnaires in total that can be processed as a sample (44.83%), see Table 2. Table 3 describes the characteristic of the respondent. The descriptions of variables in the descriptive statistics used in this study include the min., max., mean, and standard deviation value of the social

entrepreneurial orientation, social salience, business planning, financial performance, and social performance variable. Descriptive statistics are concerned with collecting and ranking data. The characteristics of the sample used in this study are described using descriptive statistics (Table 4).

Table 2. Distribution of Questionnaire

No.	Description	Number	Percentage (%)
1.	Distributed Questionnaire	87	100%
2.	Responded Questionnaire	39	44,83%
3.	The questionnaire that cannot be processed	0	0
4.	Processable questionnaire	39	44,83%

Source: Processed Data (2021)

Table 3. Profile of Respondent

Gender	N	%	Education	N	%
Male	14	36%	Senior High School	3	8%
Female	25	64%	Diploma	2	5%
Age			Bachelor	24	62%
<20	0	0%	Postgraduate	10	26%
21 - 30	6	15%	Year Established		
31 - 40	19	49%	<10	9	23%
41 - 50	7	18%	10 -20	13	33%
>51	7	18%	21 - 30	8	21%
Year worked			31 - 40	6	15%
<1	4	10%	41 - 50	0	0%
1 -5	17	44%	>50	3	8%
5 - 10	8	21%	Hospital ownership		
10 - 15	5	13%	Government	15	38%
15 - 20	3	8%	Private	24	62%
>20	2	5%	No. of employees		
Position			<50	3	8%
Director	9	23%	50 - 100	6	15%
Deputy Director	17	44%	101 -250	18	46%
Manager	9	23%	251 - 500	9	23%
Staff	4	10%	>500	3	8%

Source: Processed Data (2021)

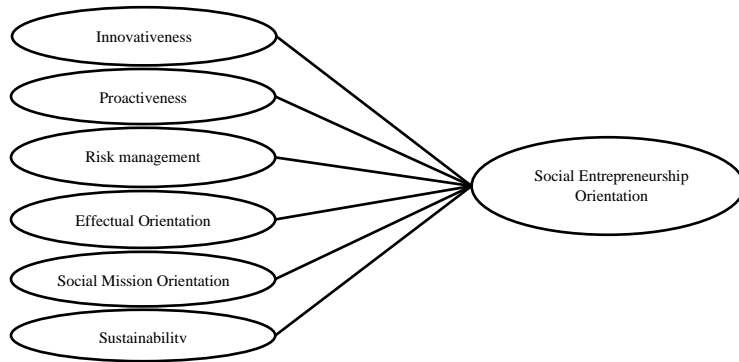


Figure 2. Social Entrepreneurship Orientation Indicators Framework

The results of descriptive statistics show that the hospitals studied according to respondents' opinions have carried out innovativeness, proactiveness, risk management, and managed all limited resources owned by the hospital quite well, and the hospital has been oriented towards solving problems and meeting the social needs of the community by good, and the hospital also has a sustainability orientation and the hospital's financial capacity is quite good.

Based on the mean and standard deviation values in table 4, shows that the mean value of each variable can be used as a representation of the overall data.

Table 4. Variable Descriptive Statistics

	Descriptive Statistics					
	N Data	N Indicator	Min	Max	Mean	Std Deviation
Social Entrepreneurship Orientation						
- Innovativeness	39	4	1.00	5.00	3.948718	0.559545
- Proactiveness	39	4	2.00	5.00	3.967949	0.588205
- Risk management	39	4	2.00	5.00	3.910256	0.569184
- Effectual orientation	39	5	2.00	5.00	3.774359	0.631088
- Social mission orientation	39	4	2.00	5.00	4.000000	0.673756
- Sustainability orientation	39	4	2.00	5.00	3.852564	0.549276
Social Salience	39	4	2.00	5.00	4.147436	0.457819
Business Planning	39	5	2.00	5.00	3.528205	0.547698
Financial Performance	39	4	2.00	5.00	3.108974	0.756104
Social Performance	39	4	2.00	5.00	3.762821	0.630760

Source: Processed Data (2021)

The mean and standard deviation of social salience, business planning, financial performance, and social performance indicate that the researched hospital in the opinion of respondents has prioritized social missions and tends to prioritize its contribution to social values for society, and is quite capable of carrying out business planning in decision making by taking advantage of existing business opportunities to achieve hospital goals, and hospital management feels that the hospital's financial performance and social performance are still quite good.

Inferential Statistical Analysis Results

Model Measurement Results (Outer Model)

Figure 2 illustrates the indicators of social entrepreneurship orientation and in the following table can be seen that the indicators have met the convergent validity criteria and have good discriminant validity. And, based on composite reliability and Cronbach’s alpha, all indicators have met the reliability criteria. After measuring the indicators of social entrepreneurship orientation, the measurement of all variables will be carried out. In the following table, it can be seen that the indicators of each variable have met the convergent validity criteria and have good discriminant validity. And, based on composite reliability and Cronbach’s alpha, all variables have met the reliability criteria.

Table 5. Fit Model and Quality Index

	Index	P-Value	Criteria	Description
APC	0.387	P=0.002	P<0.05	Accepted
ARS	0.369	P=0.003	P<0.05	Accepted
AVIF	1.681	Accetable If <=5, Ideally <=3.3		Accepted

Source: Processed Data using WarpPLS 6.0 (2021)

Table 6. R-square value

	<i>R-square</i>
SEO	
SS	
BP	0.383
FP	0.530
SP	0.326

Source: Processed Data using WarpPLS 6.0 (2021)

The Structural Model’s Evaluation (Inner Model)

A fit model test and R2 are used to analyze the inner model. Table 5 shows the value of the fit model and the quality index. These findings show that the factors of social entrepreneurship orientation and social salience can contribute to the existence of the business planning variable by

38.3%. The social entrepreneurship orientation, social salience, and business planning all contribute 53.0% of the existence of the financial performance variable. The social entrepreneurship orientation, social salience, and business planning all contribute 32.6% of the existence of the social performance variable.

Furthermore, hypothesis testing is carried out by analyzing the value of data processing shown by the output of WarpPLS 6.0 in the form of path coefficients between variables.

Hypothesis testing

The following are the results of data processing using WarpPLS.

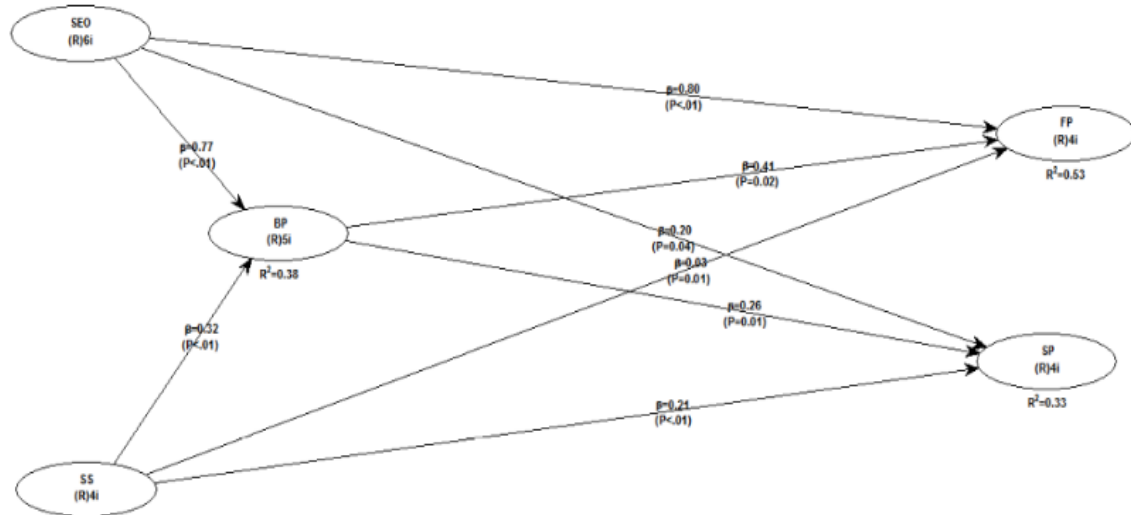


Figure 3. Structural Equation Model

Source: Processed Data using WarpPLS 6.0 (2021)

Table 7 shows the path coefficient estimation results for testing the direct effect between variables.

Table 7. Direct Effect Results

Hypothesis	Path	Path Coefficient	P-value	Conclusion
H1	SEO → FP	0.800	<0,001	Accepted
H2	SEO → SP	0.196	0.044	Accepted
H3	SS → FP	0.032	0.011	Rejected
H4	SS → SP	0.211	<0,001	Accepted
H5	BP → FP	0.412	0.020	Accepted
H6	BP → SP	0.264	0.014	Accepted

Source: Processed Data using WarpPLS 6.0 (2021)

To get the calculation of the indirect effect between variables, it is necessary to first test the direct effect between variables using WarpPLS, as shown in the following figure 4.

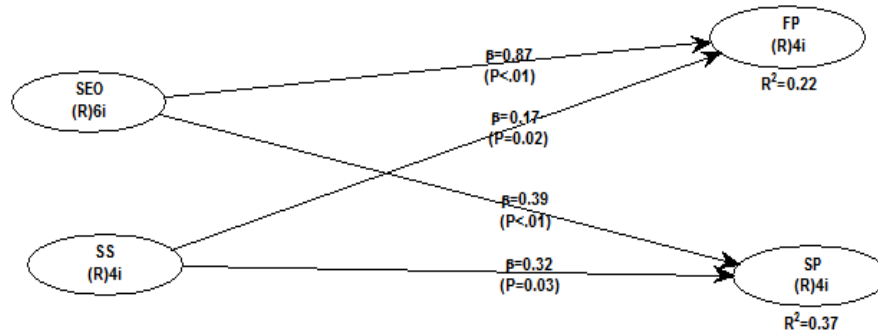


Figure 4. Direct Effect

Source: Processed Data using WarpPLS 6.0 (2021)

From the results of testing the direct effect above, it can then be calculated the indirect effect between the variables shown in table 8.

Table 8. Indirect Effect Results

	Correlation	$a \times b$ (1)	$a \times b + c$ (2)	$VAF = \frac{(1)}{(2)} \times 100\%$	Conclusion
H7	SEO \rightarrow BP \rightarrow FP	$0.774 \times 0.412 = 0.319$	$0.319 + 0.872 = 1.191$	$20\% < 26.78\% < 80\%$	Accepted
H8	SEO \rightarrow BP \rightarrow SP	$0.774 \times 0.264 = 0.204$	$0.204 + 0.386 = 0.590$	$20\% < 34.58\% < 80\%$	Accepted
H9	SS \rightarrow BP \rightarrow FP	$0.320 \times 0.412 = 0.132$	$0.132 + 0.174 = 0.306$	$20\% < 43.14\% < 80\%$	Accepted
H10	SS \rightarrow BP \rightarrow SP	$0.320 \times 0.264 = 0.084$	$0.084 + 0.326 = 0.410$	$20\% < 20.49\% < 80\%$	Accepted

Source: Processed Data using WarpPLS 6.0 (2021)

Discussion

The effect of social entrepreneurship orientation on the performance of social enterprises

According to this study, social entrepreneurship orientation has a significant effect on the achievement of social enterprises. The findings of this study are in line with the results of past research by Liu et al., (2014), Cho & Kim (2017), Meyskens et al., (2010), and Cheah et al., (2019) where was found that the entrepreneurial approach had a beneficial effect on on the economic performance of social enterprises. The results obtained from this study are also in line with research by Dwivedi & Weerawardena (2018) which states that social entrepreneurship orientation is a strategic behavioral orientation that aims to resolve failures in the social world and create greater social value to maximize the social impact itself.

Based on the findings of this study, it can be demonstrated that 6 indicators of social entrepreneurship orientation affect performance. By innovating, the Hospital can undertake experiments to bring up the most recent products or services, as well as look for new and creative marketing ideas for the Hospital's products and services that can increase financial performance. Also, keep an eye out for the most up-to-date ways to make a social contribution to the communities surrounding the hospital.

A proactive approach will aid the hospital in avoiding unfavorable future events that could harm the hospital's financial stability. The hospital will make estimates about various unexpected possibilities and will be more active in monitoring external factors that can affect the hospital's financial performance, such as market conditions and competitors. In addition, the hospital will make estimates for social concerns like environmental protection, human resource management, occupational health and safety, hospital-community ties, and partnerships with suppliers and clients.

The hospital can control the risks involved with the business it runs by implementing risk management, and it also runs the business by taking into account the expenses and advantages that will come. With an effectual orientation, hospitals can take steps to ensure potential losses that will occur in service units that have high social potential but are still acceptable to hospitals. And the hospital will test it first before implementing a new strategy or program fully implemented. The social mission orientation helps the hospital realize the vision and mission by conducting periodic evaluations on "how efforts/services must be carried out to achieve the hospital's goals".

Sustainability orientation helps hospitals to manage costs carefully, search for sustainable sources of income so that hospitals can survive, and the long-term survival of hospitals must always be a top priority and financial sustainability is a prerequisite for carrying out hospital social projects. Therefore, the hospital as a social enterprise will be able to live and thrive in the long term and achieve the best financial performance and make social entrepreneurship orientation an art to create a socially responsible business that aims not only to generate profits but also to strive to solve various social and environmental problems.

The effect of social salience on the performance of social enterprises

This study discovered that while social salience has a good impact on social performance, it has no meaningful impact on a social enterprise's financial performance. This is consistent with research by Cheah et al., (2019) and Battilana et al., (2015), which found that the drive toward social outcomes and over-delivery of social services might raise operating costs and diminish financial efficiency. When the founders of the hospital have determined that social goals are very important, the hospital will try and be motivated to meet social needs in services such as providing complete health services, providing health information, and providing quality human resources by utilizing the resources owned by the hospital.

However, social salience has no direct impact on financial performance and this is consistent with research by Cheah et al., (2019). The absence of the effect found may due to the hospital's financial condition is not good enough, so the social mission cannot be fully

implemented because it can erode the hospital's finances. Besides, experience and management background in hospitals can also be a factor why salience has no direct impact on financial performance. In particular, 49% of management are still productive age 31-40 years, with 1-5 years of work experience (44%), and 87% of management have undergraduate education (bachelor's and postgraduate). With productive age, working experience below 5 years, and level of education, management is not very willing to solve social problems. They choose to be more effective in managing finance than solving social problems. However, social salience can affect financial performance indirectly through business planning as described in the 9th hypothesis.

The effect of business planning on the performance of social enterprises

According to this study, business planning improves the performance of social companies. Barraket et al., (2016), Ruvio & Shoham (2011), Sanchis-Palacio et al., (2013), and Cheah et al., (2019) all came to the same conclusion. Business planning can help hospitals to make the right decisions in utilizing the resources they have and develop hospital goals into practical stages to improve hospital performance. For business planning to run well and measurably, hospitals can do several things, for example, properly document all hospital plans, estimate budgets, make regular income/expenditure reports, evaluate and measure the missions carried out by hospitals, and expand the network of partnerships with various parties.

The change of a hospital from a social unit to a socio-economic unit has an impact on the complexity of the hospital. Furthermore, the change also has the potential to cause conflict if the relationship between the owner, manager, and medical staff is not properly regulated, so a business plan is needed. Business planning can help hospitals to make the right decisions in utilizing available resources that are coordinated with different implementation techniques formats through business planning activities to balance financial and social performance.

The effect of social entrepreneurship orientation on social enterprise performance is mediated by business planning.

This study revealed that business planning significantly mediates the relationship between social entrepreneurial orientation and social enterprise success. These findings are consistent with those of Cheah et al., (2019) and Ruvio & Shoham (2011), who found that business planning plays a role in mediating the relationship between entrepreneurial orientation and social enterprise performance.

The social entrepreneurship orientation owned by hospital management is an organizational resource that is owned to achieve increased hospital performance. With social entrepreneurship, orientation is more likely to take calculated risks to be more innovative and proactive in pursuing new opportunities. The organization's ability to innovate, proactively observe the external environment, manage risk, be effectively oriented, serve a social mission, and maintain long-term hospital viability can assist managers in utilizing essential resources with good business planning so that the organization will succeed in achieving goals. These abilities

mentioned also help the company sustain and improve its performance by using business planning as a tool to manage resources.

Social entrepreneurship orientation makes hospital management more creative, willing to take risks and be proactive in various situations, and can analyze opportunities that arise. However, this, of course, must be supported by competent managerial capabilities in managing and utilizing important resources, in this case, business planning acts as a managerial tool in managing resources so that hospitals can increase their performance.

The effect of social salience on social enterprise performance is mediated by business planning.

The results of this study showed that business planning has a significant impact on the relationship between social salience and the performance of social enterprises. These findings are consistent with those of Ruvio & Shoham (2011), who found that business planning plays a role in mediating the relationship between social salience and social enterprise performance.

Social salience represents the formation of corporate strategy, the values of social salience owned by business founders are translated into organizational strategic planning through business planning. With the hospital's ability to manage social missions by making planning, budgeting, evaluating, measuring, and expanding the partnership network. So that the hospital can reduce operational costs and perform financial efficiency when carrying out missions or social services. And by doing good business planning involving entrepreneurial orientation and social salience values, hospital management can create a socially responsible business that aims not only to generate profits but also to solve various social and environmental problems.

The findings of this study indicate that the hospital applies a resource-based view (RBV) in using resources, by applying a social entrepreneurship orientation and being driven by social salience values that have been set by the founders and carrying out business planning can lead the organization to achieve organizational goals that are reflected in the organizational performance of the Hospital.

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CONCLUSIONS

The findings of this study indicate that the hospital applies a resource-based view (RBV) in using resources, by applying a social entrepreneurial orientation and being driven by social salience values that have been set by the founders, and conducting business planning can lead the organization to achieve organizational goals which are reflected in the organizational performance of the hospital.

The findings of this study have implications for hospital management in running a hybrid business in determining the strategic direction of hospitals and providing model guidance for social enterprise investors, policymakers, and researchers. This research also increases our understanding of the results of previous studies where there are still inconsistencies in research results and so it is an opportunity for further research.

Future research is expected to be able to replicate hospitals in other areas or other social enterprises such as in the fields of environment, education, and social welfare so that the results of this study can generalize to all hospitals or other social enterprises. Further research can also consider external resource variables as independent variables that influence the social success of social enterprises or add information technology variables considering the rapid development of information technology nowadays.

List of Abbreviations

SEM-PLS: Structural Equation Modeling – Partial Least Square; RBV: Resources Based View; WHO: World Health Organization; LKIP: Laporan Kinerja Instansi Pemerintah; AVE: Average Variance Extracted; INO: Innovativeness; PRO: Proactiveness; RM: Risk Management; EO: Effectual Orientation; SMO: Social Mission Orientation; SO: Sustainability Orientation; SEO: Social Entrepreneurship Orientation; SS: Social Salience; BP: Business Planning; FP: Financial Performance; SP: Social Performance; APC: Average Path Coefficient; ARS: Average R-squared; AVIF: Average Block VIF.

Authors' Contribution

Diana Haira analyzed and interpreted the data. Ria Nelly Sari and Novita Indrawati performed a statistical analysis of the data and create the final manuscript.

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Conflicts of Interest

The authors declare no competing interests.

Availability of Data and Materials

Research data and materials refer to the results of observations or experimentation that validate research findings, which can be accessed at the link below:

https://drive.google.com/file/d/1BX8HglwAGr3_O3_64PPk7bTHkFpzJ5Ei/view?usp=sharing

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APPENDIX

Table 1. Operational Definition of Variables and Indicators

No	Variable	Definition	Indicators
1.	Social Entrepreneurship Orientation	Behavioral orientation strategies aim to resolve failures in the social world and increase social value to expand social impact (Dwivedi & Weerawardena, 2018).	<ol style="list-style-type: none"> 1. Innovativeness Innovation is the tendency to continually develop and promote new ideas/solutions for social needs, and new ways of marketing, fundraising, and influencing government while abandoning conventional approaches. 2. Proactiveness Proactivity reflects the tendency to actively scan the external environment, predict unexpected shocks, and prepare for future uncertainties. 3. Risk management Risk management tends to identify risks, take manageable risks, make careful resource commitments, and rigorous project planning before allocating funds to a project/activity. 4. Effectual orientation Effective orientation reflects the behavioral tendency to cleverly manage limited resources to achieve optimal solutions. This definition includes behaviors such as managing potential losses, exploiting possibilities, developing strategies based on available resources, partnering with stakeholders, and getting prior commitments. 5. Social mission orientation Social mission orientation shows the tendency of devotional behavior to fulfill social needs. 6. Sustainability orientation Sustainability orientation requires behavioral tendencies for long-term viability and financial viability. (Dwivedi & Weerawardena, 2018)

No	Variable	Definition	Indicators
2.	<i>Social Salience</i>	Entrepreneur's social intentions when setting up a company and making it one of the company's goals (social outcomes).	<ol style="list-style-type: none"> 1. The founders determined that the hospital's social goals were very important. 2. The founders determined that accommodating social needs is very important. 3. The founders had determined that the hospital will provide social services for the community, not just hospital patients. 4. The founders determined that using the organization's resources for social purposes was very important. (Lortie et al., 2017)
3.	Business Planning	The activity of gathering business data to make decisions and take advantage of new opportunities within an organization.	<ol style="list-style-type: none"> 1. Documented all planning properly 2. Budget forecasting 3. Have made a good budget estimate 4. Make regular income/ expenditure reports 5. Carry out evaluations and measurements related to the missions carried out (Barraket et al., 2016)
4.	Organizational Performance	The overall achievement of the organization in economic (financial) and social context.	Financial Performance: <ol style="list-style-type: none"> 1. Revenue has increased 2. Add service units to increase revenue. 3. Have above-average competitiveness compared to other organizations in the same class. 4. The organization's financial condition is at a surplus level. Social Performance: <ol style="list-style-type: none"> 1. Provide more social services in the community. 2. Conduct environmentally friendly waste treatment. 3. Provide services for underprivileged patients. 4. Get a higher reputation and trust from various parties. (Liu et al., 2014)

Table 2. Measurement of convergent validity and reliability of social entrepreneurship orientation indicators

Item	Indicator	Convergent Validity		Reliability	
		Loading Factor (>0,5)	AVE (>0,5)	Composite Reliability (>0,7)	Cronbach's Alpha Coefficients ($\geq 0,5$ good, $\geq 0,3$ good enough)
INOV 1	Innovation	0.542	0.791	0.793	0.644
INOV 2		0.703			
INOV 3		0.636			
INOV 4		0.773			
PRO1	Proactiveness	0.646	0.725	0.851	0.761
PRO2		0.642			
PRO3		0.729			
PRO4		0.661			
RM1	Risk Management	0.694	0.685	0.817	0.698
RM2		0.719			
RM3		0.654			
RM4		0.658			
EO1	Effectual Orientation	0.719	0.771	0.821	0.721
EO2		0.728			
EO3		0.593			
EO4		0.780			
EO5		0.664			
SMO1	Social Mission Orientation	0.733	0.717	0.910	0.867
SMO2		0.639			
SMO3		0.663			
SMO4		0.773			
SO1	Sustainability Orientation	0.614	0.813	0.750	0.799
SO2		0.765			
SO3		0.811			
SO4		0.707			

Source: Processed Data using WarpPLS 6.0 (2021)

Table 3. Measurement of discriminant validity of social entrepreneurship orientation indicators (Correlations among latent variables with square roots of AVEs).

Variable	INOV	PRO	RM	EO	SMO	SO
INO	0.750					
PRO	0.569	0.775				
RM	0.503	0.590	0.729			
EO	0.498	0.429	0.598	0.713		
SMO	0.348	0.187	0.517	0.673	0.847	
SO	0.590	0.529	0.477	0.377	0.315	0.656

Source: Processed Data using WarpPLS 6.0 (2021)

Table 4. Measurement of discriminant validity of all variables

Variable	SEO	SS	BP	FP	SP
SEO	0.773				
SS	0.601	0.622			
BP	0.568	0.177	0.744		
FP	0.724	0.465	0.351	0.782	
SP	0.347	0.532	0.261	0.222	0.717

Source: Processed Data using WarpPLS 6.0 (2021)

Table 5. Measurement of convergent validity and reliability of all variables

Indicator	Variable	Convergent Validity		Reliability	
		Loading Factor (>0,5)	AVE (>0,5)	Composite Reliability (>0,7)	Cronbach's Alpha Coefficients (≥0,5 good, ≥0,3 good enough)
INO	Social Entrepreneurship Orientation	0.780	0.597	0.899	0.864
PRO		0.735			
RM		0.823			
EO		0.792			
SMO		0.837			
SO		0.724			
SS1	Social Salience	0.737	0.531	0.704	0.769
SS2		0.755			
SS3		0.821			
SS4		0.756			
BP1	Business Planning	0.779	0.553	0.770	0.812
BP2		0.781			
BP3		0.824			
BP4		0.843			
BP5		0.849			
FP1	Financial Performance	0.784	0.612	0.862	0.785
FP2		0.795			
FP3		0.844			
FP4		0.756			
SP1	Social Performance	0.811	0.514	0.794	0.775
SP2		0.757			
SP3		0.895			
SP4		0.799			

Source: Processed Data using WarpPLS 6.0 (2021)