

## BUILDING A SUSTAINABLE BUSINESS THROUGH SOCIAL ENTREPRENEURSHIP

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### ABSTRACT

This research aims to explore how social entrepreneurship can be an effective strategy in building a sustainable business. With increasing awareness of social and environmental issues, social entrepreneurship offers an approach that integrates social goals with economic profits. This research uses a qualitative approach with descriptive methods. In this research, it was found that social entrepreneurship plays an important role in overcoming global challenges such as climate change, social inequality and poverty. Through an innovative and sustainable community-based approach, social entrepreneurship is able to offer effective solutions to these problems. Social entrepreneurship is successful thanks to several key factors: a clear vision and mission, innovation and creativity, a sustainable business model, strong partnerships, and a focus on social impact. Managerial and leadership skills, along with the ability to adapt and be resilient, also contribute to the effectiveness and success of implementation. The combination of these factors allows social entrepreneurship to create positive and sustainable social impact.

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## INTRODUCTION

Over the past few decades, the paradigm regarding the role of business in society has undergone significant changes. In the past, business was often viewed solely as a means of achieving financial gain, with the main goal being to maximize profits for shareholders (Maulana, 2023). The concept of “shareholder value” dominates business discourse, where social and environmental responsibility are often considered the province of governments or non-profit organizations. Businesses are seen as separate entities from their social communities, whose main focus is operational efficiency and increasing profitability, without paying much attention to the social impact of their activities (Widajanti, 2007).

However, as global awareness of social and environmental issues increases, there is increasing pressure from consumers, investors and society at large for businesses to take a more active role in addressing these challenges. Social entrepreneurship is the answer to this demand, by integrating social and environmental goals into the business model (Utomo, 2021). Instead of just pursuing financial profits, social entrepreneurs create businesses that also aim to provide solutions to problems faced by society, such as poverty, education, health and environmental sustainability. They view business success as not only measured by how much profit is generated, but also by the extent to which their business is able to bring positive change to society (Firdaus, 2014).

In this context, social entrepreneurship is not only considered as a temporary trend, but as an important evolution in the business world that prioritizes sustainability and social

*Building a Sustainable Business Through Social Entrepreneurship-Liya Yulia*

responsibility (Arifin & Satiadharna, 2023). Companies that adopt social entrepreneurship principles have shown that combining social mission with business strategy can produce greater value, both for society and for the company itself (Putri, 2017). Apart from creating a real social impact, companies based on social entrepreneurship also tend to be more innovative and adaptive in facing increasingly complex market challenges. Thus, social entrepreneurship paves the way for a more holistic business model, where financial profits and social benefits go hand in hand, creating a more sustainable future for all parties involved (Safei & Herdiana, 2021).

Social entrepreneurship is a unique and sustainable business approach, where social or environmental goals are at the core of business operations, parallel to achieving financial profits (Tuti, 2024). It is a combination of an entrepreneurial spirit driven by a strong social mission, where innovation and creativity are the keys to creating solutions that have a positive impact. In social entrepreneurship, profit is not the final goal, but rather a tool for achieving broader social change (Yaumidin, 2013). These social entrepreneurs often operate in areas less accessible to traditional companies, and through innovative approaches, they create products or services that are not only profitable but also have a real impact on society (Vania & Anwar, 2022).

One of the main attractions of social entrepreneurship is its proactive approach to addressing social and environmental problems. This business does not just stop at identifying problems, but actively looks for ways to overcome them with a sustainable business model (Adindo, 2021). This means that the solutions offered do not only have a short-term impact, but are also designed to last a long time and provide sustainable value both for the beneficiaries and for the business itself (Nurfaqih & Fahmi, 2018). For example, a social entrepreneurship company focused on education in remote communities might not only provide access to books and educational technology, but also train local teachers and create a lasting educational infrastructure.

Furthermore, social entrepreneurship emphasizes the importance of building solutions that can be applied and replicated in various contexts, with the aim of creating a wider impact (Nuraini et al, 2019). By using an innovative business approach, social entrepreneurship creates a model that is economically viable and contributes to improving the overall welfare of society (Darwis et al, 2021). Additionally, these businesses often form partnerships with governments, non-profit organizations, and other private sectors to amplify their impact. In the long term, social entrepreneurship has the potential to change the way we view business and its role in society, by placing sustainability and social responsibility as key pillars in successful business models (Fujihasa et al, 2022).

Sustainable business models are the main foundation that differentiates social entrepreneurship from other forms of business. In social entrepreneurship, sustainability is not only related to how businesses can continue to run financially, but also how they can maintain and increase their social or environmental impact (Poerwanto et al, 2019). These businesses are designed so that they are able to generate enough income to cover operational costs while reinvesting some of the profits to expand their social mission. In other words, sustainable business models allow social entrepreneurship to continue operating without having to rely on donations or external assistance on an ongoing basis, which is often an obstacle for traditional non-profit organizations (Lasaksi et al, 2023).

The positive cycle resulting from this sustainable business model allows social entrepreneurs to continue to grow and expand their impact. By combining business efficiency with a social mission, social entrepreneurship can respond to emerging challenges and create adaptive and innovative solutions (Utomo, 2015). When these businesses are financially successful, they have a greater capacity to invest in social programs, expand their reach, and improve the quality of life in the communities they serve. This creates a sustainable circle of influence, where financial success and social impact go hand in hand, reinforcing each other and allowing businesses to continue to grow while making significant positive contributions to society and the environment (Chairunnisa et al, 2022).

This research aims to analyze how social entrepreneurship can be an effective strategy in building sustainable business models and identify key factors that drive the success of social entrepreneurship in creating positive social impacts. In addition, this research will explore the challenges and opportunities faced by social entrepreneurship in achieving business sustainability while maintaining its social mission. Theoretically, this research is expected to enrich the literature related to social entrepreneurship and sustainable business models, while practically, the results are expected to provide guidance for business actors in integrating social and environmental goals into their business models.

## **METHOD**

This research uses qualitative methods, which are very suitable for exploring the complexity of social entrepreneurship in the context of building sustainable businesses (Sugiyono, 2010). Qualitative methods were chosen because they allow researchers to understand phenomena in natural conditions, where social entrepreneurship occurs, as well as how these business actors interact with their social and economic environment. The data collected in this research is descriptive, consisting of words or oral speech, obtained through in-depth interviews, direct observation, and analysis of related documents (Yulianah, 2022). This approach allows researchers to dig deeper into the perceptions, motivations, challenges and strategies used by social entrepreneurs in creating business models that are not only financially profitable, but also have a positive impact on society and the environment. Thus, this qualitative method provides a comprehensive framework for analyzing how social entrepreneurship principles are applied in practice, as well as how they contribute to sustainable business development, as described in the title of this research.

## **RESULTS AND DISCUSSION**

### **Changing the World with Sustainable Business Through Social Entrepreneurship**

One of the main strengths of social entrepreneurship is its ability to address complex and interconnected global challenges. In an increasingly connected world, problems such as climate change, social inequality and poverty can no longer be seen as isolated issues. The impact of one problem often extends to various sectors and affects various aspects of human life. For example, climate change not only affects the environment, but also impacts the economy, health, and food security, all of which can exacerbate social inequality and poverty. Social entrepreneurship, with its focus on sustainable and community-based solutions, is able to offer a more holistic and integrated approach to addressing these challenges.

Social entrepreneurship works by identifying the root of a problem and developing innovative solutions that can be applied in various contexts. In the face of climate change, for example, social entrepreneurs might create green technologies that can be applied in vulnerable communities, while providing education and training to increase environmental awareness. In areas of social inequality, they may develop business models that empower marginalized groups, giving them access to the education, skills and resources they need to improve their quality of life. By combining a social mission with an effective business strategy, social entrepreneurship can create a greater and more sustainable impact compared to traditional approaches that often focus on only one aspect of a problem.

In addition, social entrepreneurship has flexibility and the ability to adapt quickly to changing global conditions. In an era characterized by rapid change and uncertainty, the ability to respond innovatively and adaptively is critical. Social entrepreneurs, who often operate on the front lines of social change, are sensitive to the needs and challenges faced by their communities. They can quickly identify new opportunities, collaborate with various stakeholders, and develop solutions that are not only relevant but also have long-term impact. This flexibility allows them to continually expand the reach and effectiveness of their initiatives, creating a business model that is not only sustainable but also able to respond to new challenges as they arise.

Social entrepreneurship has demonstrated that business can act as a significant agent of change in addressing complex global challenges. Social entrepreneurs focus not only on achieving profits, but also on creating solutions that provide broad and sustainable positive impacts. They develop business models designed to address pressing issues such as climate change, social inequality and poverty in innovative and sustainable ways. Through this approach, social entrepreneurship proves that business does not have to be the source of problems, but can be part of a larger solution.

Social entrepreneurs often leverage technology, product design, and creative operational strategies to reduce negative impacts on the environment and society. For example, they can develop environmentally friendly products that reduce their carbon footprint or implement production models that reduce waste. Additionally, they may implement ethical and fair business practices, such as fair trade or circular economy models, which not only reduce environmental impacts but also improve the economic well-being of local communities. This approach enables social entrepreneurship to create sustainable and positive impact, as well as drive changes in behavior and practices across industries.

Furthermore, social entrepreneurship seeks to build sustainable positive effects by focusing on community empowerment and creating equitable opportunities. They often work closely with local communities to understand the specific needs and challenges they face, and develop solutions that fit that local context. By empowering individuals and communities, social entrepreneurship not only provides temporary relief but also creates local capacity to face challenges independently in the future. This creates a sustainable effect that strengthens community resilience and supports long-term development.

Social entrepreneurship also plays an important role in inspiring and motivating other sectors to follow in their footsteps. By demonstrating that businesses can operate ethically and sustainably while still achieving financial success, social entrepreneurship provides a concrete example of how innovative business models can bring about positive change. This

is encouraging traditional companies to consider how they can integrate social and environmental responsibility into their strategies, as well as sparking a shift in how we view the role of business in society. Social entrepreneurship, thus, not only provides solutions to major problems but also influences the entire business paradigm.

Social entrepreneurship actively drives social innovation by addressing challenges that have often never been solved or that are ignored by traditional markets. When traditional markets fail to address specific social or environmental problems, social entrepreneurship steps in with creative approaches and never-before-tried solutions. For example, they may develop new technologies or business models that not only meet specific community needs but also address broader systemic problems. This approach often involves thinking outside the box and implementing new ideas that change the way we view and address social issues, creating solutions that are not only effective but also innovative.

A clear example of social innovation in social entrepreneurship is the emergence of social crowdfunding platforms. The platform allows individuals to support social projects they care about directly, without relying on traditional funding sources such as grants or investments from large institutions. Social crowdfunding makes it easier to access funds for various social initiatives that may not get the attention of conventional investors. By providing a platform that connects supporters with social projects, this innovation has opened the door for many social enterprises to get the funding they need to grow. As a result, projects that previously might not have been realized can now gain the resources necessary to create a greater impact, expand their reach, and bring about positive change in society.

### **Factors that Influence the Success of Social Entrepreneurship in Creating Positive Social Impact**

Key factors that drive the success of social entrepreneurship in creating positive social impacts include:

#### **1. Clear Vision and Mission**

A clear vision and mission are the main foundations for successful social entrepreneurship. A strong vision provides long-term direction and goals that inspire and motivate teams and stakeholders to work towards achieving shared goals. This vision often focuses on solving pressing social or environmental problems and underscores the core values of social entrepreneurship. When this vision is clearly communicated, it helps shape a company's identity and attracts support from various parties, including customers, investors, and strategic partners. A compelling vision not only creates strategic guidance but also builds emotional commitment to the social mission to be achieved.

In addition to the vision, a clear mission explains in detail how the social entrepreneurship will achieve these goals. This mission includes specific goals, strategies, and actions required to address the identified problems. With a well-defined mission, social entrepreneurship can design and implement focused and measurable programs. A strong mission also helps in setting priorities, allocating resources efficiently, and evaluating performance. Clarity in mission allows organizations to remain focused on their social goals, even as they face challenges and changes in their operational environment. Thus, a clear vision and mission not only provide strategic orientation but also support effective implementation and measurement of the resulting social impact .

## 2. Innovation and Creativity

Innovation and creativity are key factors that define the success of social entrepreneurship in creating positive social impacts. Social entrepreneurship often faces problems that have never been solved or that are ignored by traditional markets, requiring new and creative approaches to find effective solutions. By pushing traditional boundaries and implementing innovative ideas, social entrepreneurship can create products, services, or business models that not only meet specific community needs but also bring about meaningful change on a broader scale. These innovations often involve the use of new technologies, efficient production methods, or previously untried approaches to solve pressing social or environmental problems.

In addition, creativity in social entrepreneurship allows business actors to overcome challenges in an adaptive and responsive way. Social entrepreneurship often needs to experiment and test different solutions to find the most effective ones in their context. By creating space for exploration and learning, social entrepreneurship can develop more relevant and impactful solutions. This creativity also plays an important role in identifying new opportunities and responding to developing needs in society. Through continuous innovation and a creative approach, social entrepreneurship can create a sustainable positive impact and pave the way for more inclusive and effective solutions to social and environmental problems.

## 3. Sustainable Business Model

A sustainable business model is a key element in the success of social entrepreneurship because it ensures that the company not only achieves its social goals but is also financially viable in the long term. A sustainable business model combines achieving social impact with financial stability, allowing social entrepreneurship to continue running its operations without relying excessively on external donations or grants. By designing business models that can generate sufficient income, social entrepreneurs are able to overcome financial challenges and allocate resources to expand their social impact. This approach also makes it easier for them to maintain operational independence and continuity, as well as develop their initiatives more broadly.

Additionally, sustainable business models help social entrepreneurship in creating a positive cycle that supports sustainable growth and innovation. By having adequate resources, social entrepreneurship can continue to invest in product development, market expansion, and service improvements. Sustainable business models also facilitate the ability to deal with market uncertainty and change, as financially stable businesses have the flexibility to respond to new challenges and opportunities. This enables social entrepreneurs to not only achieve their social goals but also increase the effectiveness and reach of their programs in a sustainable manner, creating greater and lasting impact.

## 4. Partnership and Collaboration

Partnerships and collaborations are important aspects in the success of social entrepreneurship because they allow access to additional resources, knowledge, and networks that can strengthen social initiatives. By building strategic partnerships with a variety of stakeholders—including governments, nonprofit organizations, the private sector, and local communities—social entrepreneurship can leverage expertise and resources that may not be available internally. For example, partnerships with educational institutions can

provide research and innovation, while collaborations with the private sector can provide access to necessary technology and capital. This collaboration helps expand the reach and effectiveness of the program, and creates synergies that improve the social outcomes achieved.

In addition, partnerships and collaboration also serve to build legitimacy and public support for social entrepreneurship. By working with organizations and individuals who have good reputations and extensive networks, social entrepreneurs can increase their visibility and credibility. Support from these various parties often facilitates access to additional resources, including funding, labor, and other critical materials. Effective collaboration creates a platform for sharing knowledge and best practices, strengthening the capacity of social entrepreneurship to address complex challenges and create greater social impact. It also strengthens shared commitment to social goals and facilitates the implementation of more coordinated and impactful solutions.

#### 5. Focus on Impact

A focus on impact is a basic principle that differentiates social entrepreneurship from traditional business models, and is an important factor in their success. Successful social entrepreneurship establishes clear and measurable performance indicators to evaluate the effectiveness of their programs. By systematically measuring impact, they can assess how well they are meeting their social goals and identify areas that need improvement. This involves collecting relevant data on the results achieved, such as changes in community well-being, reductions in carbon emissions, or increased access to education. A focus on impact allows social entrepreneurs to objectively assess their success and make data-based decisions to optimize their strategies and activities.

Additionally, by placing social impact at the center of their operations, social entrepreneurs can attract support from a wide range of stakeholders interested in tangible social outcomes. Investors, donors and partners are often more interested in engaging with initiatives that show concrete evidence of positive impact. This increases transparency and accountability, and builds stronger trust and support for their programs. By maintaining a focus on impact and regularly reporting progress and results, social entrepreneurs can strengthen their reputation, increase community participation, and ensure that they continue to provide significant benefits to their target groups.

#### 6. Managerial and Leadership Skills

Good managerial and leadership skills are essential to direct social entrepreneurship to success. Social entrepreneurship leaders need to have the ability to design and execute effective strategies, manage resources efficiently, and motivate teams to achieve common goals. Strong leadership ensures that the organization's vision and mission are translated into concrete actions, taking into account the needs and challenges faced. The ability to plan strategically, make informed decisions and manage risk effectively is key to maintaining operational sustainability and maximizing the resulting social impact.

In addition, managerial skills also include the ability to build and manage a productive and committed team. Social entrepreneurship leaders must be able to recruit, train, and motivate team members, as well as create a work environment that supports innovation and collaboration. Skills in communication, negotiation and project management also play an important role in keeping initiatives on track and overcoming obstacles as they arise. By

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## CONCLUSION

Social entrepreneurship plays a crucial role in addressing complex and interconnected global challenges, such as climate change, social inequality and poverty, by offering innovative and sustainable solutions. Through a holistic and community-based approach, social entrepreneurship not only identifies and addresses the root of problems, but also adapts quickly to changing global conditions, empowers local communities, and utilizes technology and ethical business practices. With sustainable business models, social innovation, and the ability to tackle complex global problems, social entrepreneurship has the potential to change the world into a better place for everyone. Furthermore, social entrepreneurship is successful in creating positive social impacts through several key factors that support each other. A clear vision and mission provide strategic direction, while innovation and creativity produce new solutions to unsolved problems. Sustainable business models ensure financial sustainability while expanding social impact, and partnerships and collaborations strengthen reach and support. A focus on impact enables measurement and improvement of results, while good managerial and leadership skills, as well as resilience and adaptability, support effective implementation and response to challenges. The combination of these factors ensures that social entrepreneurship can achieve a sustainable and positive impact on society.

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