



Jin Young Lee\*, Nara Yoon and Chong Kyoon Lee

# Untangling the Role of Government Support on the Financial Performance of Social Entrepreneurship: Application of Resource Dependence Theory

<https://doi.org/10.1515/erj-2025-0017>

Received January 14, 2025; accepted September 2, 2025; published online October 10, 2025

**Abstract:** Acknowledging the potential of social entrepreneurship in addressing social and environmental issues, the government provides various forms of support, both directly to particular social enterprises and indirectly to foster social entrepreneurship overall. Nevertheless, prior research lags behind in illuminating the impact of government support on the financial performance of social enterprises. Using the Resource Dependence Theory and the sample from 267 social enterprises in South Korea, this study examined the effects of the government financial support and non-financial support on the financial performance of these enterprises. This study further explored the extent to which the tenure period of the CEO in the social entrepreneurship context affects these focal relationships. This study aims to contribute to the literature regarding social entrepreneurship performance and the role of government for this sector, while aiding policy makers in promoting social entrepreneurship.

**Keywords:** social entrepreneurship; financial performance; government support; resource dependence theory

**JEL Classifications:** L25; L30; L31

## 1 Introduction

Social entrepreneurship is increasingly recognized in both scholarship and practice as a viable solution for tackling social and environmental issues overlooked by

**\*Corresponding author: Dr. Jin Young Lee**, Management & Organization Department, Sellinger School of Business and Management, Loyola University Maryland, 4501 North Charles Street, Baltimore, MD 21210, USA, E-mail: [jkang2@loyola.edu](mailto:jkang2@loyola.edu). <https://orcid.org/0009-0001-6824-5720>

**Dr. Nara Yoon**, School of Strategic Leadership Studies, James Madison University, Harrisonburg, USA; and The Gradel Institute of Charity at New College, University of Oxford, Oxford, UK, E-mail: [yoonnx@jmu.edu](mailto:yoonnx@jmu.edu). <https://orcid.org/0000-0001-8870-5360>

**Dr. Chong Kyoon Lee**, Management Department, College of Business, James Madison University, Harrisonburg, USA, E-mail: [lee3ck@jm.edu](mailto:lee3ck@jm.edu). <https://orcid.org/0000-0002-5876-7293>

established markets and governments (Mair and Martí 2006). Social entrepreneurship primarily aims to create social value, while also generating profits to enhance their operational sustainability, which distinguishes it from conventional commercial businesses and non-profit organizations (Battilana and Dorado 2010; Short et al. 2009). Due to its unique nature, social entrepreneurs often encounter challenges in securing resources to start social enterprises because of limited funding sources (Bacq et al. 2013; Cook et al. 2003). Furthermore, social entrepreneurship experiences greater capital constraints during its operations compared to commercial entrepreneurship at equivalent venture stages, as it prioritizes social value creation over profit generation (Davidsson and Honig 2003; Gimmon and Spiro 2013).

Meanwhile, recognizing the important role of social enterprises in addressing social and environmental issues, governments around the globe are enacting various policies to help alleviate the resource challenges faced by these social enterprises (Choi et al. 2020; Sengupta and Sahay 2017). Governments provide diverse support to the social entrepreneurship ecosystem as a whole and/or offer aid to specific social enterprises (Bozhikin et al. 2019; Sud et al. 2009; Stephan et al. 2015) while having the assumption that such government support will generally enhance the performance of social enterprises. Although existing research has acknowledged the regulatory and administrative intervention taken by governments in supporting social entrepreneurship, current studies on social entrepreneurship often presumes a monolithic model of government support for the social entrepreneurship performance. Despite the use of various policy tools by the government, such as financial and non-financial support (Chan et al. 2019; Shockley and Frank 2011; Teasdale 2012), there is limited empirical evidence identifying which types of support are more effective. Moreover, existing research, despite the absence of numerous data points, exhibit conflicting conclusions about the influence of government funding on the operations of social enterprises, producing both positive and negative outcomes (Cho and Kim 2017; Choi and Berry 2021). Therefore, two key questions remain unresolved. First, how does government support influence the financial performance of social enterprises? And if so, does the effect vary depending on the government's support type? Second, under what conditions does government support yield the greatest impact? To answer these questions, this study examines the effects of both financial and non-financial government support on financial performance of social enterprises, while also exploring the boundary conditions that shape these relationships.

To address these questions, this study, based on the lens of Resource Dependence Theory and a geographically representative sample of 267 social enterprises in South Korea, examines the impact of government support (both financial and non-financial) on the financial performance of social entrepreneurship. Moreover, we explore the boundary condition of the focal relationship by focusing on a CEO's characteristic, particularly the tenure period of the CEO in the context of social

entrepreneurship. This study finds that non-financial support from the government enhances the financial performance of social entrepreneurship, whereas financial support from government has no effect. In addition, this study finds that if a CEO of social enterprise has operated for a longer period as a social entrepreneur, the positive relationship between government's non-financial support and the financial performance of social entrepreneurship is weakened. In other words, the government's non-financial support has a greater impact on social enterprises when their CEOs have a shorter tenure in the social entrepreneurship context. Together, this study demonstrates that government support for social enterprises plays different roles in the performance of social enterprises depending on the form of support, and that it can also vary according to the life cycle stage of the social enterprise.

This study aims to make the following contributions. First, this study builds on a growing body of literature that examines the function of government to foster social entrepreneurship (Bacq et al. 2013; Short et al. 2009). Numerous governments are allocating resources via diverse policies to foster social entrepreneurs (Chan et al. 2019; Choi et al. 2020); yet the efficacy of these initiatives remains ambiguous. This study analyzed the impact of two governmental policy approaches – financial support and non-financial support – on the financial performance of social enterprises. This study can contribute to the literature by demonstrating that non-financial support from the government for social enterprises positively impacts the financial performance of these enterprises, rather than just financial support. Moreover, this study also can contribute to the literature by responding to recent research calls on the impact of government support on social entrepreneurship performance (Chan et al. 2019; Hidzir et al 2021; Lall and Park 2022).

Second, this study aims to contribute to the literature on the determinants of financial performance in social entrepreneurship. All enterprises, including social ventures, must pursue profitability to ensure sustainable operations (Short et al. 2009). Therefore, it is imperative to understand the circumstances in which social entrepreneurship can provide positive profits to maintain its viability. This study highlights the role of governmental support for social entrepreneurship in assessing its financial performance. In addition, the findings of this study indicate that the impact of a government's support for social entrepreneurship on its performance can be different by a CEO's characteristic, the tenure period in the social entrepreneurship context. Specifically, this study shows that social businesses run by CEOs with extensive tenure in the field of social entrepreneurship tend to experience diminished benefits from government backing. Accordingly, this study enriches current social entrepreneurship literature by developing and testing a model in which social enterprise financial performance depending on the external resource acquisition is conditional on the firm's characteristics.

Third, this study aims to contribute to the Resource Dependence Theory. The previous literature with the Resource Dependence Theory has focused on the industry level rather than the organizational level (Tepthong 2014). At the same time, the theory focuses more on input rather than output. This study specifically observed that studies on social entrepreneurship could gain insights from the implementation of the theory to illuminate the relationship between resources from the external environment and the performance of social enterprises. On this account, our study adds to the ongoing scholarly effort that seeks to build and test resource dependence lens in the investigation of factors that influence the financial performance of social entrepreneurship (Desa and Basu 2013; El Ebrashi and El-Batawy 2024; Palacios-Marqués et al. 2019).

Lastly, this study also has a practical contribution for policy makers. There has been a notable rise in the number of social enterprises across countries and government policies designed to promote social entrepreneurship (Hazenberg et al. 2016; Sengupta and Sahay 2017). However, it remains unclear which government policies should be applied to which groups of social enterprises to achieve a high impact. This research can suggest to policymakers that more customized policy strategies can aid in the sustainable functioning of social enterprises.

The remainder of this article is organized as follows. In the second section, we review relevant literature on the function of government in social entrepreneurship and develop hypotheses based on the resource dependence perspective. In the third section, we document our research methods, followed by data used in this study and the results. In the fourth section, we present a discussion of our results. Finally, we conclude with a discussion of the limitations of this study and future research directions.

## 2 Hypotheses Development

### 2.1 The Link Between Government Support and Social Entrepreneurship

Social entrepreneurship has increasingly attracted attention from scholarship and practice for its unique ability in addressing societal issues while simultaneously generating profits for the organization's sustainable operations (Mair and Martí 2006; Short et al. 2009). Due to its distinctive and sustainable method of solving social and environmental issues, governments have increasingly expressed interest in fostering social entrepreneurship (Chan et al 2019; Shockley and Frank 2011; Teasdale 2012). However, social entrepreneurs face greater challenges such as limited capital, restricted funding source, and less prospects for organizational expansion, in contrast to commercial entrepreneurship (Bacq et al 2013; Gimmon and Spiro 2013). Therefore, governments around the globe have proactively sought to support social

entrepreneurship with various policy instruments (Chan et al. 2019; Teasdale 2012). Studies document that the government is considered one of the key policy actors in social entrepreneurship (Bozhikin et al. 2019; Sahasranamam and Nandakumar 2020; Sud et al. 2009; Stephan et al. 2015). Accordingly, several scholars highlight the importance of examining the role of government in supporting social entrepreneurship (please refer to the recent review study by Bozhikin et al. 2019).

Current research shows that the government takes diverse roles in social entrepreneurship development by either offering indirect support to social entrepreneurship ecosystem as a whole or providing direct aid to specific social enterprises. We have compiled and presented the types of indirect and direct governmental support for social entrepreneurship in Table 1. Firstly, to cultivate a comprehensive social entrepreneurship ecosystem, governments establish regulatory policies to incentivize the inception and expansion of social entrepreneurship (Knott and McCarthy 2007; Pearson and Helms 2013). For example, certain government policies grant priority status to social enterprises in procurement and contracting process (Bozhikin et al. 2019), while other policies provide tax incentives to individuals and organizations investing in social entrepreneurship (Griffiths et al. 2013). Furthermore, the government offers training programs and workshops via entrepreneurship incubation centers and accelerators for social entrepreneurship, enabling social entrepreneurs to obtain essential resources, mentorship, and knowledge/skills to initiate and expand their businesses (Thompson 2002). Moreover, the government establishes platforms that enable social entrepreneurs to collaborate with other organizations. Lastly, the government initiates campaigns and programs to raise public awareness of the impact of social entrepreneurship and to motivate prospective entrepreneurs to engage in the social entrepreneurship field (Teasdale et al. 2013).

Secondly, governments often provide direct financial support to individual or targeted groups of social entrepreneurs. This support typically takes the form of

**Table 1:** Types of government support for social entrepreneurship.

<b>Indirect support to social entrepreneurship ecosystem</b>	<b>Direct support to individual social enterprise</b>
<ul style="list-style-type: none"> <li>- Tax incentive</li> <li>- Incentive in procurement and/or contracting</li> <li>- Training program/workshop</li> <li>- Platform for potential collaboration and/or partnership</li> <li>- Campaign to raise public awareness of social entrepreneurship</li> </ul>	<ul style="list-style-type: none"> <li>- Financial support in terms of subsidy and/or grant</li> <li>- Non-financial support via an active moderating role for collaboration and/or partnership between SE and other stakeholders</li> </ul>

subsidies or grants for a specific period (Teasdale et al. 2013; Thompson 2002; Bacq et al. 2013; Cook et al. 2003). While some studies highlight the positive impact of this funding for the performance of social entrepreneurs (Cho and Kim 2017; Choi 2015; Jung et al. 2016) – others suggest that such financial assistance can have limited or even adverse effects. For example, government funding has been associated with reduced profitability among social enterprises (Choi and Berry 2021; Kim and Jun 2022), and similar subsidies can hinder financial independence and long-term sustainability of social enterprises (Reichert et al. 2019). In addition to financial support, governments may offer non-financial support to social enterprises. For instance, governments can act as moderators or initiators by facilitating collaboration and partnerships between social enterprises and other stakeholders (Bozhikin et al. 2019). Such collaborations enable social entrepreneurs to access new markets, resources, and expertise, thus fostering growth and scalability. Indeed, partnerships between social entrepreneurs and other stakeholders have proven particularly effective in addressing complex social and environmental issues in various contexts (Desa and Koch 2014; Griffiths et al. 2013).

In summary, scholars have documented several regulatory and administrative governmental assistance in promoting social entrepreneurship. Nevertheless, a relatively under-investigated aspect of this line of literature is the empirical study that examines how government intervention should affect the financial performance of social enterprises. Furthermore, previous research on social entrepreneurship performance primarily relies on conceptual frameworks or is based on a few case studies with small sample sizes (Bacq et al. 2013; Hidzir et al. 2021; Short et al. 2009). Moreover, only a small number of studies empirically assess varied types of government support offered to social entrepreneurship (Choi 2015; Claassen et al. 2024; Jung et al. 2016). Consequently, this appears to be a missed opportunity given the growing demand in the literature for social entrepreneurship, urging researchers to expand an established theory by evaluating the relationship between government support and social entrepreneurship performance (Dacin et al. 2010; Short et al. 2009).

## **2.2 Resource Dependence Theory and The Relationship Between Government Support and Social Entrepreneurship Financial Performance**

This study uses Resource Dependence Theory (RDT) as the theoretical framework to investigate the relationship between government support and social entrepreneurship financial performance, along with its boundary conditions. The RDT has emerged as a highly significant theoretical framework within the fields of organizational theory and strategic management. The RDT assumes that organizations are

externally constrained by the environment for resources and the survival of an organization depend on the ability to obtain resources from the environment (Pfeffer 1982). Further, it claims that the survival and performance of an organization depends on the ability to obtain resources from the environment (Pfeffer 1982). In particular, the concept of RDT acknowledges that the impact of external factors on the behavior of organizations would eventually influence organizational performance (Drees and Heugens 2013; Pfeffer and Salancik 1978). In other words, organizational performance depends on the ability of the organization to acquire and maintain resources from its environment.

Based on the RDT, we argue that social enterprises that can receive a greater amount of financial support from the government can produce better financial performance since the RDT asserts that an organization's survival and performance hinge on its capacity to acquire resources from external stakeholders (Pfeffer and Salancik 1978). At the same time, social enterprises, prioritizing the creation of social value, can often face challenges in securing the financial resources or generating the revenues necessary for their operations and expansions, so the resources from the government can be more critical for social enterprises. Therefore, if a social enterprise can acquire financial support from the government, the financial resources can be utilized in several ways to enhance financial performance. First, social entrepreneurs can leverage government funds to improve management operations and practices – including expansion of infrastructure and in-kind resources, recruitment and training, provision of welfare benefits, marketing and public promotion, investment to new program development, and redistribution to local communities and charities – that would otherwise have not been conceivable due to resource constraints. Moreover, external financial capital from the government can serve as a buffer against financial shocks and liquidity constraints for social enterprises (Cooper et al. 1994; Dimov and Murray 2008). Second, this social entrepreneurial capability to allocate slack resources derived from government, in turn, may promote further benefits such as firm legitimacy in the community, expansion of the stakeholders in the market, and attraction of new resources from public and private funders (e.g., Margiono et al. 2019; Reichert et al. 2019). In short, the importance of governmental financial support is noted by many scholars focusing on its prospects to generate further value for social enterprises and local communities (e.g., Nicholls 2009; Thompson et al. 2000; Wallace 1999). Consequentially, social entrepreneurial capabilities to secure greater financial support from the government can facilitate enhanced financial outcomes. Therefore, we hypothesize:

**Hypothesis 1:** The amount of financial support that social enterprises receive from the government is positively associated with the financial performance of those social enterprises.

Similarly, we also argue that social enterprises that can acquire a greater amount of non-financial support from the government can produce better financial performance. With the theoretical lens of the RDT, the concept of resources refers to not only financial resources, but also non-financial resources such as relational support from stakeholders that the organizations acquire from their external environment (see Hillman et al. 2009). As an example of non-financial support from the government for social enterprises, the government serves as a moderator or initiator in the joint partnership arrangement to facilitate collaboration between social entrepreneurs and other stakeholders for enhanced firm outcomes (Choi 2015; Phillips et al. 2019). This partnership sponsored by the government allows social entrepreneurs to acquire the necessary skills and knowledge from the partners, which could accelerate gaining increased legitimacy from the external stakeholders for tapping into new markets or scaling up their operations (Desa and Koch 2014; Griffiths et al. 2013). In addition, the joint partnership can help social entrepreneurs to generate better social value. For example, a growing number of studies document various cross-sectoral partnership arrangements between the government, social enterprises, business organizations, and the community to tackle social problems more effectively (Choi et al. 2018; Haugh 2007; Spear 2019). Montgomery and colleagues (2012), for instance, show that multiple stakeholders co-create social value through collective social entrepreneurship. In short, if social enterprises could more effectively fulfill their core objective of generating social value through joint partnership with other stakeholders, bolstered by governmental support, their legitimacy would enhance, potentially resulting in favorable financial consequences by attracting more consumers. Thus, we anticipate that social entrepreneurs receiving non-financial support from the government, such as collaborative partnerships with other stakeholders, are more likely to achieve superior financial performance. Accordingly, we hypothesize:

**Hypothesis 2:** The non-financial support that social enterprises acquire from the government is positively associated with the financial performance of those social enterprises.

### 2.3 Resource Dependence Theory and Moderating Role of CEO Tenure

While the RDT supports the positive relationship between the capability of an organization to acquire resources from the external stakeholder and its performance, it also recognizes the organization's reactions with the external stakeholder that provide

resources. Specifically, the RDT assumes that the organization that control resources could influence other organizations that receive the resources and the organization as a resource recipient always seek predictability and certainty regarding the resources from the external organization (Oliver 1991; Pfeffer and Salancik 1978). In other words, the RDT posits that, despite being limited by their specific circumstances, organizations would take actions to reduce dependency on external entities so that it can mitigate environmental uncertainty (Casciaro and Piskorski 2005). For example, some nonprofit organizations literature explains the increased trend of commercialization in nonprofit organizations in recent decades (Kerlin and Pollak 2018; Malatesta and Smith 2014). They show that nonprofit organizations increasingly apply the practices used in the social entrepreneurship for revenue diversification, marketization, and performance measurement techniques to minimize the reliance on external donors (Hung and Wang 2021; Lall 2017). In short, this theory predicts that organizations endeavor to diminish external influence exerted upon them, frequently striving to enhance their own power over others.

We assert that a social enterprise that have a CEO with a longer tenure in the social entrepreneurship context would experience diminished positive effects of government support on their financial performance in comparison to those with shorter tenure. The rationales are as follows. First, one of the central tenets of the Resource Dependence Theory is the notion of power, which posits that organizations want to shift power away from the resource providers to diminish uncertainty exerted by external influences (see Casciaro and Piskorski 2005; Pfeffer and Salancik 1978). For example, it is known that over-reliance on the government could exert an unfavorable influence on social enterprises, diminishing organizational autonomy (Ridley-Duff and Bull 2011; Wei-Skillern 2007) and financial stability (Andreoni and Payne 2003, 2011; Hughes et al. 2014). Thus, social enterprises that have a CEO with a longer career in the social entrepreneurship context, may have developed more resilient, self-sustaining organizations over time, strive to minimize reliance on government support (e.g., Davis and Cobb 2010). This diminishes the incremental impact that government support has on the financial performance of social enterprises. Second, social entrepreneurial leaders with extended careers may possess advanced access to accumulated industry-specific knowledge, skills, and experiences that can enhance the strategic management of operations, the enhanced reputation of the organization, and greater cognitive ability to recognize new opportunities and broader business connections (Alvarez and Busenitz 2001; Bosma et al. 2004; Gimeno et al. 1997). Accordingly, this may reduce the impact of governmental assistance on the financial outcomes of social entrepreneurs. Third, during an extended duration of government support, social entrepreneurs may encounter diminishing returns. As the social enterprise progresses, further government investment or support may not result in substantial enhancements in financial performance, as numerous initial

advantages – such as infrastructure, market access, or regulatory facilitation – have already been attained. Conversely, novice entrepreneurs frequently encounter a more immediate and significant beneficial impact from such assistance. Consequently, when social enterprises have CEOs who possess a longer tenure in the social entrepreneurship field, they are likely to have less positive effect from the government support due to decreased dependency on the government, more self-efficacy, and diminishing return from the government support. Accordingly, we hypothesize:

**Hypothesis 3a:** The strength of the baseline relationship between the amount of financial support that social enterprises receive from the government and the financial performance of those enterprises is weaker when they have CEOs with a longer tenure in the social entrepreneurship context.

**Hypothesis 3b:** The strength of the baseline relationship between the non-financial support that social enterprises receive from the government and the financial performance of those enterprises is weaker when they have CEOs with a longer tenure in the social entrepreneurship context.

## 3 Methods

### 3.1 Research Design

#### 3.1.1 Sample and Data Collection

The sample of this study consists of social enterprises that operated in Korea from 2016 to 2018. Numerous governments worldwide implement policies designed to foster social entrepreneurial start-ups (Chan et al. 2019; Choi et al. 2020; Hazenberg et al. 2016; Sengupta and Sahay 2017). Among many, one prime example that shows strong government support for the development of social entrepreneurship is the case in South Korea (hereafter Korea). In particular, the Korean government has played an incremental role in acceleration of social enterprise emergence and development starting from the early 2000s (Bidet and Eum 2011; Choi et al. 2020; Choi and Berry 2021; Jung et al. 2016). Following the enactment of policy regulations and the establishment of a central promotion agency, the size and scope of social enterprises in Korea have significantly increase in recent decades (Bidet 2012; Bidet and Eum 2011; Jang 2017). Given the monumental role played by the central and local government fostering social entrepreneurship through a variety of regulatory and administrative approaches over years, we believe that the Korean context can be a

useful context for our inquiry. Furthermore, we contend that Korean context elucidates which firms are classified as social enterprises. This is because all social enterprises in Korea must be registered under the government system (Lee et al. 2024).

We utilized our sample by leveraging interview and survey data that were collected based on a systematic sampling of social enterprises from March to April in 2018 (see Cochran 1977).<sup>1</sup> Our cross-sectional dataset, compiled by the Centre for Social Value Enhancement Studies (CSES) in Korea, includes both organization-level and individual-level data. First, organization-level data encompasses variables specific to social enterprises, including financial performance, amount of funding obtained from the government, joint partnership with stakeholders, social enterprise type, social performance, employee size, organization age, and geographic location. Second, individual-level data encompass the sociodemographic characteristics of CEOs of social enterprises, including age, gender, and educational qualifications, along with the tenure period in the social entrepreneurship context. Notably, all variables at both the organization- and individual-level were collected using validated survey instruments and are relatively objective in nature, which helps mitigate concerns regarding internal consistency or subjectivity in the data collection process.

This distinctive dataset collection allows for the evaluation of factors influencing the financial performance of social entrepreneurship in Korea. From the initial dataset of 320 social firms, we omit observations with missing values and only include observations with complete information available for variables used in the analysis. Further, we excluded social enterprises that have not received any funding from the government. This results in a total of 267 social enterprises throughout 17 first-tier regional divisions, encompassing all geographic divisions in Korea.

### 3.1.2 Measurements

For our dependent variable, we employed the profit growth rate per employee for the years 2017–2018 to assess the financial performance of social entrepreneurship. Although numerous metrics exist to assess firm performance, including sales and profit (Bierwerth et al. 2015; Rothaermel et al. 2006; Schwens et al. 2018), we contend that the profit growth rate per employee serves as an effective indicator for

---

<sup>1</sup> A total of 1,443 social enterprises have obtained certified status as of 2018 calendar year (Korea Social Enterprise Promotion Agency). Our study sample is collected from a total of 1,281 social enterprises in Korea based on three criteria (i.e., social enterprise business focus, social service area, and geographic location), and then every 4th element in the whole sample is selected to achieve increased representativeness of the sample.

evaluating the financial performance of social entrepreneurship for the following reasons. First, the profit growth rate per an employee demonstrates operational efficiency, indicating how efficiently a social enterprise utilizes its human resources to generate profit within constrained resources (Wilson and Post 2013). Second, the rate measure might offer insights regarding the enterprise's capacity to scale without substantially escalating costs, which is crucial for social enterprises to ensure its long-term social impact. Lastly, the use of rate measure is advantageous as it evaluates an organization's financial sustainability without solely concentrating on profit maximization, distinguishing it from the mission of social entrepreneurship, which aims to generate both social and economic value (Santos 2012).

To test the first hypothesis on government financial support, we create our first independent variable for *Financial Support* that captures the total amount of funding derived from the government by a social enterprise in 2016 (in thousand USD<sup>2</sup>). To assess the second hypothesis on government non-financial support, we use a binary variable of *Non-financial Support* variable that takes a value of 1 when a social enterprise is engaged in a joint partnership with other stakeholders, moderated or initiated by a central and/or local governments in 2016 for enhancing the performance of social entrepreneurship and 0 otherwise.

To investigate our third hypothesis, we use a moderating variable *Tenure of CEO* which indicates the total number of years serving as a social entrepreneur. In addition, for our first set of third hypothesis, we consider the interaction variable of *Financial Support\* Tenure of CEO* that reflects whether an increase in the CEO's tenure in the social entrepreneurship context changes the strength of the relationship between government financial support and financial performance in a social enterprise. To investigate our second set of third hypotheses, we employ the interaction variable of *Non-financial Support\*Tenure of CEO* that reflects whether holding a longer career of CEOs in the context of social entrepreneurship changes the strength of the relationship between social enterprise's joint business with central and/or local governments and financial performance.

Next, we control various firm- and individual-level characteristics that are important considerations for firm performance. Following established research traditions (Bierwerth et al. 2015; Rothaermel et al. 2006; Santarelli and Tran 2013; Schwens et al. 2018), we include a variety of firm-level control variables, including profit growth rate per an employee during 2016 and 2017, social enterprise type, social performance, firm size, firm age, and firm location. Profit growth rate per employee during 2016 and 2017 is controlled to isolate the direct effect of government

---

2 1 USD = 1,350 kRW (As of September 20, 2024).

support on 2016 (*2016 Financial Performance*). In addition, we control for social enterprise type by including a binary variable that takes a value of 1 for a social enterprise type (Cho and Kim 2017; Jung et al. 2016) that focuses on job creation type and 0 otherwise (*Type*). Given that social enterprises pursue both social and economic value, we also control for the total number of social service activities performed by the firm to capture social performance (*Social Performance*). Since firm size and life cycle stage can influence performance, we control for the total number of employees (*Firm Size*) and the number of years the firm has been operating (*Firm Age*). Further, because the performance of social enterprises can vary by location (Lee et al. 2021), we include a binary variable that takes a value of 1 for a firm that is located in a special city or six metropolitan cities and 0 otherwise to capture the geographic location (*Major City*).

Finally, we follow research tradition (Bernardino and Santos 2019; Denning 2014; Minniti and Nardone 2007; Walter and Heinrichs 2015) and include individual-specific attributes of CEOs, such as age, gender, and educational attainment. We measure the CEO's age as a continuous variable (*Age*). Gender is captured with a binary variable that takes a value of 1 for female entrepreneurs and 0 otherwise (*Female*). Educational attainment is also measured with a binary variable, coded as 1 if the entrepreneur has completed a bachelor's degree or higher and 0 otherwise (*Education*).

### 3.1.3 Descriptive Statistics

Descriptive characteristics of covariates included in our analytic models are presented in Table 2. It indicates that, on average, a firm in our sample receives about 58 thousand US dollars from the government, and about two percent of the firms are engaged in joint partnership with other stakeholders thanks to the central and/or local government. On average, a firm in our sample has more than 17 employees and has operated for less than 10 years. Furthermore, more than three-fourths of our sample represents a firm grouped as a job creation social enterprise type. A typical social entrepreneur is over 45 years old, has more than five years of career experience in social entrepreneurship, and tends to be well-educated, reflected by a high percentage of bachelor or above educational attainment. The correlation analysis for these variables is presented in Table 3. We further checked the multicollinearity among covariates by estimating their variance inflation factors (VIFs). The mean VIF for the regression model is 3.53, indicating that our mean indicator of multicollinearity values is well below a conservative threshold.

**Table 2:** Descriptive statistics.

	<b>Variables</b>	<b>Mean</b>	<b>SD</b>	<b>Min</b>	<b>Max</b>
1.	Financial performance	0.10	1.05	-1.67	6.85
2.	Financial support <sup>a</sup>	58.18	89.98	0.25	447.6
3.	Non-financial support	0.02	0.14	0	1
4.	Tenure of CEO	5.56	2.69	1	12
5.	2016 financial performance	0.02	0.45	-2.00	2.16
6.	Social enterprise type	0.82	0.38	0	1
7.	Social performance	4.12	2.21	0	9
8.	Firm size	17.04	29.52	2	240
9.	Firm age	9.56	5.20	4	32
10.	Major city	0.36	0.48	0	1
11.	Age	45.57	8.76	27	71
12.	Female	0.57	0.50	0	1
13.	Education	0.78	0.42	0	1

*N* = 267. <sup>a</sup>Shown in thousand US dollars.

## 4 Results

To test our hypotheses, we used Stata 18 to conduct the analysis and employ ordinary least squares regression where standard errors are clustered by organizations. Table 4 reports our findings regarding the factors influencing the financial performance of social enterprises in our study sample. Model 1 of Table 4 presents estimation results with an interaction variable for government financial support and social entrepreneur careers. Model 2 of Table 4 presents results with an interaction variable for government non-financial support and social entrepreneur careers. Model 3 of Table 4 shows results with all interaction variables.

Our hypothesis 1 posits that the level of financial support that social enterprises receive from the government is positively associated with the financial performance of those social enterprises. Model 1 of Table 4 demonstrates the result. Contrary to our expectations, the results reveal that the relationship between the amount of financial support from the government by social enterprises and the financial performance of social entrepreneurship is not statistically significant. Thus, we reject hypothesis 1.

Furthermore, our second hypothesis predicts that the non-financial support provided by the government to social enterprises is positively associated with the financial performance of those social enterprises. Model 2 of Table 4 shows the result. Our findings indicate that external non-financial resources derived from the government have positive and statistically significant impact on firm performance (*p*-value <0.05), hence rendering support for hypothesis 2. This finding suggests the

Table 3: Correlation analysis.

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13
1. Financial performance	–												
2. Financial support	0.14	–											
3. Non-financial support	0.07*	0.02	–										
4. Tenure of CEO	0.11	0.04	0.07	–									
5. 2016 financial performance	-0.15	-0.04	0.01	0.13	–								
6. Social enterprise type	-0.26*	-0.014	-0.11	-0.03	0.01	–							
7. Social performance	0.06	-0.06	0.08	0.15	0.05	-0.04	–						
8. Firm size	-0.01	0.19*	0.09	0.11	-0.02	-0.01	0.14	–					
9. Firm age	0.29*	-0.07	-0.04	0.37*	0.02	0.04	0.08	-0.07	–				
10. Major city	0.03	0.01	0.04	-0.06	0.04	-0.06	0.05	0.02	-0.07	–			
11. Age	-0.15	-0.16	-0.04	0.29*	0.26*	0.01	0.07	-0.09	0.01	-0.16	–		
12. Female	-0.08	0.07	-0.02	-0.36*	0.01	-0.10	0.08	0.10	-0.25*	-0.21*	-0.02	–	
13. Education	0.09	0.09	0.07	-0.07	0.01	-0.18	0.08	0.14	0.20*	0.20*	-0.21*	-0.31*	–

*N* = 267. Correlations with *p*-values of 0.05 or lower are indicated with an asterisk (\*).

**Table 4:** Results on the impact of government support on the financial performance of social entrepreneurship.

Variables	Model 1	Model 2	Model 3
Financial support	-0.001 (0.004)		42.728 (32.346)
Non-financial support		1.891* (0.737)	1.545* (0.753)
Tenure of CEO	-0.023 (0.062)	0.036 (0.045)	0.002 (0.060)
Financial support*Social entrepreneur career	2.930 (6.500)		1.672 (6.368)
Non-financial support*Social entrepreneur career		-0.399** (0.133)	-0.341** (0.133)
2016 financial performance	-0.297 (0.274)	-0.322 (0.296)	-0.301 (0.293)
Social enterprise type	-1.001* (0.467)	-1.142* (0.519)	-1.144* (0.506)
Social performance	0.016 (0.054)	0.004 (0.054)	0.013 (0.055)
Firm size	-0.002 (0.003)	-0.002 (0.002)	-0.003 (0.003)
Firm age	0.079 (0.061)	0.076 (0.062)	0.079 (0.062)
Major city	0.082 (0.025)	0.028 (0.026)	0.024 (0.026)
Age	-0.010 (0.011)	-0.012 (0.013)	-0.011 (0.0012)
Female	-0.024 (0.268)	-0.062 (0.276)	-0.074 (0.268)
Education	0.019 (0.231)	0.089 (0.215)	0.036 (0.231)
Intercept	0.639 (0.920)	0.790 (0.935)	0.755 (0.925)
R <sup>2</sup>	0.25	0.27	0.29
VIF	2.78	2.29	3.53

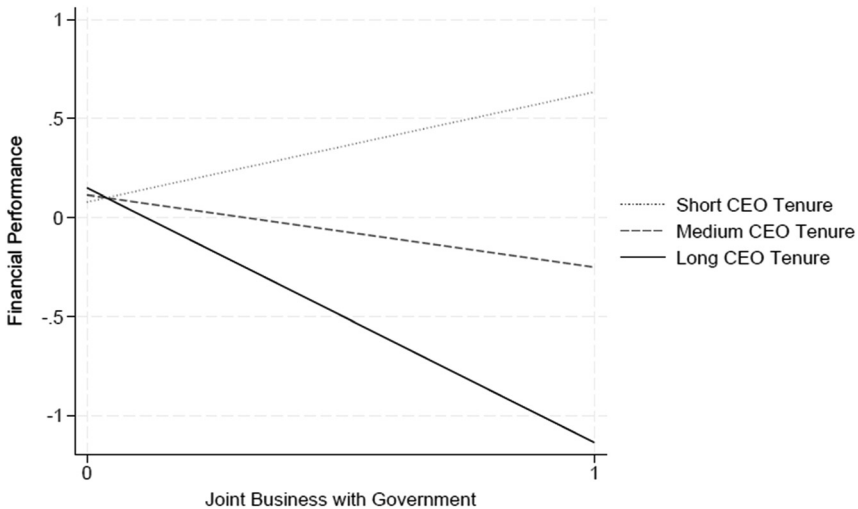
*N* = 267. Robust standard errors are clustered by organizations and shown in parentheses. Reference group = social enterprises focusing on addressing problems in other area. +*p* < 0.1; \**p* < 0.05; \*\**p* < 0.01.

importance of institutional non-financial support in sustaining the social entrepreneurship in Korea.

Our hypothesis 3 explores the moderating role of CEO's tenure in the social entrepreneurship context for the baseline relationship between the government support and the financial performance of social entrepreneurship. In particular,

hypothesis 3a predicts that the strength of the baseline relationship between the amount of financial support that social enterprises receive from the government and the financial performance of those enterprises is weaker when they have CEOs with a longer tenure in the social entrepreneurship context. And hypothesis 3b predicts that the strength of the baseline relationship between the non-financial support that social enterprises receive from the government and the financial performance of those enterprises is weaker when they have CEOs with a longer tenure in the social entrepreneurship context. Model 1 in Table 4 shows that there is no statistical significance for the moderating effect of the tenure of CEO. However, Model 2 of Table 4 indicates there is negative and statistically significant impact by the moderating variable on the relationship between the non-financial support that social enterprises receive from the government and the financial performance of those social enterprises ( $p$ -value  $< 0.01$ ). Our results in Model 3, which incorporates both interaction variables in the same model, show findings similar to those of Model 2 with consistent statistical trends, though with slight variations in effect sizes. These results provide no statistical support for hypothesis 3a but do offer statistical support for hypothesis 3b. Additionally, the moderating effect of CEO's experience in the context of social entrepreneurship is illustrated in Figure 1.

In Figure 1, to show how a CEO's increased career year in social entrepreneurship weakens the strengths of the link between the non-financial support from the government and firm performance, we created terciles based on the years of career



**Figure 1:** The moderating effect of the tenure of CEO in the social entrepreneurship context on the relation between government non-financial support and financial performance.

experience in social entrepreneurship: 1) one standard deviation below the mean, 2) one at the mean, and 3) one above the mean. The graph illustrates that as social enterprises are managed by CEOs with greater experience in the social entrepreneurship context, the impact of non-financial support from the government on firm performance diminishes more significantly.

In the next section, we discuss our findings and then close this article with a conclusion.

## 5 Discussion

The findings of our study indicate that governmental financial assistance for social entrepreneurship is not statistically associated with the financial performance of social enterprises; nevertheless, governmental non-financial support is positively associated with the financial performance of social entrepreneurship. Moreover, the findings indicate that the beneficial effect of government non-financial support is more pronounced when social companies are run by CEOs with shorter tenure in the social entrepreneurship context. In summary, although our results necessitate further inquiry, we conclude that government's direct support for a social enterprise can variably affect the financial performance of social enterprises depending on the type of support, and the experience of their CEOs in the social entrepreneurship context.

We believe this article makes important contributions to scholarship and practice in multiple ways. First, the study contributes to the social entrepreneurship literature by disentangling the role of government in the development of social entrepreneurship. Numerous governments are already implementing diverse policies with the objective of fostering social entrepreneurship (See the recent review research: Bozhikin et al. 2019); nevertheless, our understanding of its effectiveness remains limited (Shockley and Frank 2011). Broader research in entrepreneurship suggests that no single policy fits all types of entrepreneurs (Minniti 2008), and previous studies have called for more targeted policies tailored to specific forms of entrepreneurship.

Building on this foundation, our study advances the literature by identifying which types of government support enhance the financial performance of social enterprises. We find that government financial support is not significantly associated with improved financial performance. One plausible explanation is that financial support does not necessarily translate into operational profitability due to the risk of dependency. From a resource dependence theory (RDT) perspective, excessive reliance on government funding can foster organizational dependency rather than capacity building. As prior studies have shown (e.g., Andreoni and Payne 2003;

Hughes et al 2014), heavy dependence on public funding can crowd out other income sources, reduce incentives for entrepreneurial resource-seeking, and limit market diversification, which may ultimately undermine financial outcomes.

In contrast, our findings show that non-financial support through government-facilitated partnership arrangements is positively associated with financial performance. These partnerships may generate strong signaling effects by enhancing legitimacy, expanding networks, and improving market access – factors especially critical in social entrepreneurship contexts where trust and stakeholder collaboration are key to market penetration (Lall and Park 2022). Ultimately, our findings offer empirical evidence on the differential effectiveness of government support and help identify which social enterprises are most likely to benefit. In doing so, this study responds to recent calls for a deeper understanding of the impact of government interventions on social entrepreneurship performance (Chan et al. 2019; Lall and Park 2022).

Second, this study aims to contribute to the literature on the determinants affecting the financial performance of social entrepreneurship. Commercial and social entrepreneurship are distinguished by their respective missions. The mission of commercial entrepreneurship is primarily profit maximization, while the mission for social entrepreneurship is the maximization of social value (Mair and Martí 2006). Accordingly, while profit-related financial performance is commonly employed to assess the performance of commercial entrepreneurship, but it has not been extensively applied in the social entrepreneurship context because of its distinct mission. Nevertheless, all companies, including social entrepreneurship, must pursue profit to guarantee operational sustainability (Short et al. 2009). Specifically, this study developed and evaluated a model in which the performance of social enterprises is conditional on the external resource acquisition ability of social enterprises and their CEO's tenure. This study aims to elucidate the elements that affect the financial performance of social entrepreneurship.

Third, the result of this study may contribute to the Resource Dependence Theory (RDT). The previous literature with the RDT has focused on the industry level and/or the context of commercial entrepreneurship or public sector management, or non-profit organization (Fisher et al. 2017; Tepthong 2014). Furthermore, the RDT focuses more on input rather than output. Aligned with the logic of RDT, our findings show that an organization's ability to secure external resources significantly influences social enterprise performance and that the effect of government support varies based on the CEO's career experience. Specifically, a statistically significant interaction term with CEO point to diminishing marginal returns from non-financial support, especially for firms with experienced social entrepreneurs who may have already diversified revenue streams or matured beyond the need for government aid.

This finding means that although firms may still benefit from government assistance, they may become less vulnerable and less reliant on it under experienced leaders with accumulative tenure: we suspect that CEOs with longer tenure are likely to develop greater slack resources and accumulate organizational knowledge, reducing the firm's dependence on external government support. This connection helps explain when, and for which social enterprises, external resources are most effective. Accordingly, this study advances the existing literature by developing and testing a resource dependence framework within the context of social entrepreneurship, highlighting how external resource acquisition capabilities shape firm performance in resource-constrained environments.

## 5.1 Practical Contribution

This study provides insights for practitioners seeking to improve social entrepreneurial outcomes. Literature on social entrepreneurship often probes the government's regulatory and administrative approaches to social entrepreneurship in a similar manner across the countries, overlooking contextual variations in the cultural and economic system. Recent research has started to question this narrow view of the government's engagement in supporting social entrepreneurship (Bozhikin et al. 2019; Shocky and Frank 2011). For example, in contrast to the Western countries and other OECD countries where social enterprises have expanded in collaboration with a well-established third sector, the growth of social enterprises in Korea is largely affected by regulatory and administrative intervention approaches taken by central and local governments (Bidet 2012; Bidet et al. 2018; Choi et al. 2020; Choi and Berry 2021; Claassen et al. 2024; Jang 2017; McCabe and Hahn 2006). Based on our findings, it might be worthwhile for policy makers to consider expanding policy interventions targeted to address the joint partnership opportunities for social enterprises.

For practitioners, this study suggests that social entrepreneurs should place greater emphasis on developing and interacting with stakeholders. Specifically, this study demonstrates that social enterprises can enhance their financial performance and ensure long-term sustainability by engaging in government-sponsored joint business programs, rather than overly depending on government financial subsidies or grants over the lifecycle of social enterprises. Given our findings that the reinforcing effect of government-sponsored joint partnerships on financial performance diminishes as CEO tenure increases, social entrepreneurs may benefit from strategically leveraging such programs earlier in their leadership tenure. Our findings suggest that organizational effectiveness depends on the alignment between resource availability and a leader's tenure in social entrepreneurship. Because the

impact of resource acquisition strategies varies with CEO tenure, a “one-size-fits-all” approach to government support is unlikely to be effective. This study highlights how social enterprises can more effectively leverage government support to improve financial outcomes. Specifically, it suggests that social enterprises embedded within supportive institutional environments, particularly those emphasizing relational capacity-building arrangements rather than purely financial aid, can achieve scalable financial outcomes. These findings challenge the common assumption that simply injecting financial capital into social enterprises will necessarily lead to improved performance. Instead, governments and other institutional actors, such as private funders, should prioritize creating enabling environments that expand opportunities for co-creation rather than treating social enterprises merely as recipients of financial assistance.

## 6 Limitations and Future Directions

There are limitations to the analysis in the study. First, our analysis is limited to a cross-sectional sample of social enterprises that operated in South Korea. Thus, the findings may not be applicable to explaining social entrepreneurship performance in different time points and other geographic locations. In particular, the findings may not be generalizable to economies with more liberal or market-based governance, such as the United States, or to mixed-market economies, such as certain EU nations. Comparative institutional analyses could help disentangle which effects are context-specific versus generalizable across mixed-market economies.

On a related note, while our results add to existing social entrepreneurship literature that underscores the thought that government’s support enhances social enterprise performance, we note that our findings can be understood in two ways. The first explanation is that government’s support facilitates effective operations of social enterprises that relate to financial performance. The alternative explanation is that highly competent social enterprises that perform well may tend to benefit from government support. A future study that uses a different estimator or research design strategies would make a useful methodological addition to the link between government support and social enterprise performance.

Second, owing to data limitations, our analysis considers only one external funding source such as government subsidies. Given that social enterprise could derive resources from a variety of different sources including philanthropic donations, foundation grants, and debt and equity (Young and Grinsfelder 2011), it would be worthwhile to assess how the composition of revenue portfolios relates to social entrepreneurship performance. This type of research could provide a more nuanced explanation of the usefulness of different funding sources on social entrepreneurial

processes and outcomes. Relatedly, while this study employs a binary indicator for joint partnership to operationalize non-financial government support, we fully acknowledge that our analytic approach regarding this measure simplifies a complex construct. To improve theoretical discussion and empirical precision, future research should consider employing other measures capturing varying levels of partnership intensity and diverse forms of collaboration between government and social enterprises, enabling a more nuanced investigation.

Third, in our current study, we consider CEO tenure as a moderator that captures leadership experience. However, we acknowledge that other leadership characteristics – such as CEO's strategic orientation, social capital, or network embeddedness within institutional environment – may also moderate the effect of government support. Hence, we hope future studies that explore these potential mechanisms would make a fruitful addition to our knowledge of the link between government subsidies, entrepreneurial profile, and social entrepreneurship performance.

Despite these limitations, the initial evidence reported in this study sheds light on fruitful avenues for future research. First, since the resource dependence theory is an insightful approach to illustrate entrepreneurial outcomes, it will be worthwhile to assess how other types of resource configuration—such as social relations where the firms are embedded in a resource environment—explain the viability of social enterprise. In particular, relational resources such as social capital (Coleman 1988; Lin 2017) including institutional and inter-organizational network linkages may serve as strategic assets for firms to gain access to unique resources, information, and status (Granovetter 1985). Supporting this assertion, scholars document robust evidence that inter-organizational network resources facilitate the growth and survival of enterprises (Bhagavatula et al. 2010; Hernández-Carrión et al. 2017; Lavie 2006). Future studies may develop this line of research by exploring how inter-organizational network resources complement financial and non-financial resources in affecting social enterprise performance (Dufays and Huybrechts 2014). This type of scholarly effort would help develop a comprehensive resource lens of social entrepreneurship, which is relatively under-investigated in the current literature.

Relatedly, the findings from this study lay the groundwork for future scholarly effort that seeks to develop, and test integrated theoretical frameworks in social entrepreneurship research. While we utilize Resource Dependency Theory (RDT) to explain how social enterprises navigate resource constraints through external support, its explanatory power can be deepened by combining it with other theoretical lenses. As aptly noted by Short et al (2009, p. 173), “To date, integration of theory has been underemphasized in social entrepreneurship research... Noticeably absent from the streams informing social entrepreneurship research were

management theory mainstays, such as the resource-based view, leadership, or configurations. In neglecting to pursue explicit predictions informed by sound theory, current conceptual research in social entrepreneurship leaves the question of relationships between constructs unanswered.”

One theoretical framework that can be integrated with Resource Dependence Theory (RDT) in this research domain is the Resource-Based View (RBV), which highlights the role of internal capacities in shaping competitive advantage (Barney 1991). By integrating RDT with RBV, future research can explore how externally acquired resources are converted into internal competencies that affect a firm's entrepreneurial processes and outcomes (Alvarez and Busenitz 2001). In the context of social entrepreneurship, this theoretical integration can help explain why some firms convert external resources into performance gains, while others do not (Desa and Basu 2013; El Ebrashi and El-Batawy 2024). Future research should examine how social enterprise leverages government support internally – through managerial capacity building such as strategic orientation and human capital development – to maximize performance outcomes. Such research efforts would enable a more nuanced perspective on not only resource acquisition, but also how social enterprises adapt, strategize, and innovate within complex institutional environments.

Second, future studies should look into how strategic motivations of entrepreneurs drive firm outcomes. While we consider government subsidies and joint business partnerships as important organizational-level resource characteristics that reveal the resource arrangement of social enterprises, it would be equally interesting to assess how individual entrepreneur-specific resource characteristics shape firm performance. Although the question of how entrepreneur-specific attributes affect firm performance continuously raises the interest of practitioners and policymakers, knowledge of related mechanisms has remained far from complete. In current literature, scholars suggest that strategic motivations of entrepreneurs, such as social entrepreneurial orientation and market orientation, affect economic performance (Bhattarai et al. 2019; Cheah et al. 2023; Staessens et al. 2019). Consolidating these diverse levels of resource characteristics innate to the firms and entrepreneurs to conceptualize determinants of firm performance would be an invaluable contribution to the study of social entrepreneurship.

## 7 Conclusions

Recognizing social entrepreneurship's unique potential to address social and environmental challenges, governments across the globe have implemented various policies aiming to promote social entrepreneurship. Based on the perspective of the Resource Dependence Theory, this study finds that social enterprises' financial

performance is positively associated with the non-financial support from the government, but not with the financial support from the government. This study further finds that the impact of government's non-financial support on the financial performance of social enterprises is weaker when their CEOs have a longer tenure in the social entrepreneurship context. This study endeavors to add to the existing body of literature on the performance of social entrepreneurship and the role of government in this sector. It also seeks to assist policymakers by demonstrating which types of government support and which types of social enterprises are most likely to benefit from such support.

**Research funding:** This work was supported by The Ministry of Education of the Republic of Korea and the National Research Foundation of Korea (NRF-2024S1A5C3A02043476).

## References

- Alvarez, Sharon A., and Lowell W. Busenitz. 2001. "The Entrepreneurship of Resource-based Theory." *Journal of Management* 27 (6): 755–75.
- Andreoni, James, and A. Abigail Payne. 2003. "Do Government Grants to Private Charities Crowd out Giving or fund-raising?" *American Economic Review* 93 (3): 792–812.
- Andreoni, J., and A. A. Payne. 2011. "Is Crowding Out Due Entirely to Fundraising? Evidence from a Panel of Charities." *Journal of Public Economics* 95 (5–6): 334–43.
- Bacq, Sophie, Chantal Hartog, and Brigitte Hoogendoorn. 2013. "A Quantitative Comparison of Social and Commercial Entrepreneurship: Toward a More Nuanced Understanding of Social Entrepreneurship Organizations in Context." *Journal of Social Entrepreneurship* 4 (1): 40–68.
- Barney, Jay. 1991. "Firm Resources and Sustained Competitive Advantage." *Journal of Management* 17 (1): 99–120.
- Battilana, Julie, and Silvia Dorado. 2010. "Building Sustainable Hybrid Organizations: The Case of Commercial Microfinance Organizations." *Academy of Management Journal* 53 (6): 1419–40.
- Bernardino, Susana, and J. Freitas Santos. 2019. "Network Structure of the Social Entrepreneur: An Analysis Based on Social Organization Features and Entrepreneurs' Demographic Characteristics and Organizational Status." *Journal of Social Entrepreneurship* 10 (3): 346–66.
- Bhagavatula, S., T. Elfring, A. Van Tilburg, and G. G. Van De Bunt. 2010. "How Social and Human Capital Influence Opportunity Recognition and Resource Mobilization in India's Handloom Industry." *Journal of Business Venturing* 25 (3): 245–60.
- Bhattacharai, Charan Raj, Caleb C. Y. Kwong, and Misagh Tasavori. 2019. "Market Orientation, Market Disruptiveness Capability and Social Enterprise Performance: An Empirical Study from the United Kingdom." *Journal of Business Research* 96: 47–60.
- Bidet, E. 2012. "Overcoming Labor Market Problems and Providing Social Services: Government and Civil Society Collaboration in South Korea." *Nonprofit and Voluntary Sector Quarterly* 41 (6): 1215–30.
- Bidet, Eric, and Hyung-Sik Eum. 2011. "Social Enterprise in South Korea: History and Diversity." *Social Enterprise Journal* 7 (1): 69–85.

- Bidet, E., H. Eum, and J. Ryu. 2018. "Diversity of Social Enterprise Models in South Korea." *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations* 29 (6): 1261–73.
- Bierwerth, Michael, Christian Schwens, Rodrigo Isidor, and Rüdiger Kabst. 2015. "Corporate Entrepreneurship and Performance: A Meta-Analysis." *Small Business Economics* 45 (2): 255–78.
- Bosma, N., M. Van Praag, R. Thurik, and G. De Wit. 2004. "The Value of Human and Social Capital Investments for the Business Performance of Startups." *Small Business Economics* 23 (3): 227–36.
- Bozhikin, Ivan, Janaina Macke, and Luana Folchini da Costa. 2019. "The Role of Government and Key Non-state Actors in Social Entrepreneurship: A Systematic Literature Review." *Journal of Cleaner Production* 226: 730–47.
- Casciaro, Tiziana, and Mikolaj Jan Piskorski. 2005. "Power Imbalance, Mutual Dependence, and Constraint Absorption: A Closer Look at Resource Dependence Theory." *Administrative Science Quarterly* 50 (2): 167–99.
- Chan, Chee Hon, Cheryl Hiu-Kwan Chui, Kristy Shuk Ting Chan, and Siu Fai Yip Paul. 2019. "The Role of the Social Innovation and Entrepreneurship Development Fund in Fostering Social Entrepreneurship in Hong Kong: A Study on Public Policy Innovation." *Social Policy and Administration* 53 (6): 903–19.
- Cheah, Jeffrey S. S., Qinni Yeoh, and Yanto Chandra. 2023. "The Influence of Causation, Entrepreneurial and Social Orientations on Social Enterprise Performance in the Nascent Ecology of Social Enterprise." *Social Enterprise Journal* 19 (3): 308–27.
- Cho, Sangmi, and Ahraemi Kim. 2017. "Relationships Between Entrepreneurship, Community Networking, and Economic and Social Performance in Social Enterprises: Evidence from South Korea." *Human Service Organizations: Management, Leadership & Governance* 41 (4): 376–88.
- Choi, Youngkeun. 2015. "How Partnerships Affect the Social Performance of Korean Social Enterprises." *Journal of Social Entrepreneurship* 6 (3): 257–77.
- Choi, Donwe, and Frances S. Berry. 2021. "Can Infused Publicness Enhance Public Value Creation? Examining the Impact of Government Funding on the Performance of Social Enterprises in South Korea." *The American Review of Public Administration* 51 (3): 167–83.
- Choi, Donwe, Frances Stokes Berry, and Adela Ghadimi. 2020. "Policy Design and Achieving Social Outcomes: A Comparative Analysis of Social Enterprise Policy." *Public Administration Review* 80 (3): 494–505.
- Choi, Youngkeun, Sugin Chang, Choi Jaewon, and Seong Yeonok. 2018. "The Partnership Network Scopes of Social Enterprises and Their Social Value Creation." *International Journal of Entrepreneurship* 22 (1).
- Claassen, Casper Hendrik, Johanna Mair, and Eric Bidet. 2024. "Social Enterprises within the Public Sector's Purview: A Taxonomy-Based Study on South Korea." *Voluntas: International Journal of Voluntary and Nonprofit Organizations* 35 (3): 570–82.
- Cochran, William G. 1977. *Sampling Techniques*. Johan Wiley & Sons.
- Coleman, James S. 1988. "Social Capital in the Creation of Human Capital." *American Journal of Sociology* 94: S95–S120.
- Cook, Beth, Chris Dodds, and William Mitchell. 2003. "Social Entrepreneurship – False Premises and Dangerous Forebodings." *Australian Journal of Social Issues* 38 (1): 57–72.
- Cooper, Arnold C., F. Javier Gimeno-Gascon, and Carolyn Y. Woo. 1994. "Initial Human and Financial Capital as Predictors of New Venture Performance." *Journal of Business Venturing* 9 (5): 371–95.
- Dacin, Peter A., M. Tina Dacin, and Margaret Matear. 2010. "Social Entrepreneurship: Why we Don'T Need a New Theory and How We Move Forward From Here." *Academy of Management Perspectives* 24 (3): 37–57.
- Davidsson, Per, and Benson Honig. 2003. "The Role of Social and Human Capital Among Nascent Entrepreneurs." *Journal of Business Venturing* 18 (3): 301–31.

- Davis, Gerald F., and J. Adam Cobb. 2010. "Resource Dependence Theory: Past and Future." In *Stanford's Organization Theory Renaissance, 1970–2000*, Vol. 28, edited by C. B. Schoonhoven, and D. Frank, 21–42. Emerald Group Publishing Limited.
- Denning, Stephen. 2014. "An Economy of Access is Opening for Business: Five Strategies for Success." *Strategy & Leadership* 42 (4): 14–21.
- Desa, Geoffrey, and Sandip Basu. 2013. "Optimization or Bricolage? Overcoming Resource Constraints in Global Social Entrepreneurship." *Strategic Entrepreneurship Journal* 7 (1): 26–49.
- Desa, Geoffrey, and James L. Koch. 2014. "Scaling Social Impact: Building Sustainable Social Ventures at the Base-of-the-Pyramid." *Journal of Social Entrepreneurship* 5 (2): 146–74.
- Dimov, Dimo, and Gordon Murray. 2008. "Determinants of the Incidence and Scale of Seed Capital Investments by Venture Capital Firms." *Small Business Economics* 30 (2): 127–52.
- Drees, Johannes M., and Pursey P. M. A. R. Heugens. 2013. "Synthesizing and Extending Resource Dependence Theory: A Meta-Analysis." *Journal of Management* 39 (6): 1666–98.
- Dufays, Frédéric, and Benjamin Huybrechts. 2014. "Connecting the Dots for Social Value: A Review on Social Networks and Social Entrepreneurship." *Journal of Social Entrepreneurship* 5 (2): 214–37.
- El Ebrashi, Raghda, and Lubna El-Batawy. 2024. "Dependence and Resourcefulness: A Typology of Social Impact Scaling Strategies." *Journal of Social Entrepreneurship* 15 (2): 336–76.
- Fisher, Greg, Donald F. Kuratko, James M. Bloodgood, and Jeffrey S. Hornsby. 2017. "Legitimate to whom? the Challenge of Audience Diversity and New Venture Legitimacy." *Journal of Business Venturing* 32 (1): 52–71.
- Gimeno, J., T. B. Folta, A. C. Cooper, and C. Y. Woo. 1997. "Survival of the Fittest? Entrepreneurial Human Capital and the Persistence of Underperforming Firms." *Administrative Science Quarterly* 750–83.
- Gimmon, Eli, and Shimon Spiro. 2013. "Social and Commercial Ventures: A Comparative Analysis of Sustainability." *Journal of Social Entrepreneurship* 4 (2): 182–97.
- Granovetter, Mark. 1985. "Economic Action and Social Structure: The Problem of Embeddedness." *American Journal of Sociology* 91 (3): 481–510.
- Griffiths, Mark D., Lisa K. Gundry, and Jill R. Kickul. 2013. "The Socio-Political, Economic, and Cultural Determinants of Social Entrepreneurship Activity: An Empirical Examination." *Journal of Small Business and Enterprise Development* 20 (2): 341–57.
- Haugh, Helen. 2007. "New Strategies for a Sustainable Society: The Growing Contribution of Social Entrepreneurship." *Business Ethics Quarterly* 17 (4): 743–9.
- Hazenberg, Richard, Meanu Bajwa-Patel, Micaela Mazzei, Michael James Roy, and Simone Baglioni. 2016. "The Role of Institutional and Stakeholder Networks in Shaping Social Enterprise Ecosystems in Europe." *Social Enterprise Journal* 12 (3): 302–21.
- Hernández-Carrión, C., C. Camarero-Izquierdo, and J. Gutiérrez-Cillán. 2017. "Entrepreneurs' Social Capital and the Economic Performance of Small Businesses: The Moderating Role of Competitive Intensity and Entrepreneurs' Experience." *Strategic Entrepreneurship Journal* 11 (1): 61–89.
- Hidzir, Putri Aliah Mohd, Shafinar Ismail, and Erne Suzila Kassim. 2021. "Government Support, Stakeholder Engagement and Social Entrepreneurship Performance: An Exploratory Factor Analysis." *Journal of Academic Research in Business and Social Sciences* 11 (7): 1604–18.
- Hillman, Amy J., Michael C. Withers, and Brian J. Collins. 2009. "Resource Dependence Theory: A Review." *Journal of Management* 35 (6): 1404–27.
- Hughes, Patricia, William Luksetich, and Patrick Rooney. 2014. "Crowding-Out and Fundraising Efforts: The Impact of Government Grants on Symphony Orchestras." *Nonprofit Management and Leadership* 24 (4): 445–64.

- Hung, ChiaKo, and Lili Wang. 2021. "Institutional Constraints, Market Competition, and Revenue Strategies: Evidence from Canadian Social Enterprises." *Voluntas: International Journal of Voluntary and Nonprofit Organizations* 32 (1): 165–77.
- Jang, J. 2017. "The Development of Social Economy in South Korea: Focusing on the Role of the State and Civil Society." *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations* 28 (6): 2592–613.
- Jung, Kyujin, Hee Soun Jang, and Inseok Seo. 2016. "Government-Driven Social Enterprises in South Korea: Lessons from the Social Enterprise Promotion Program in the Seoul Metropolitan Government." *International Review of Administrative Sciences* 82 (3): 598–616.
- Kerlin, J. A., and T. H. Pollak. 2018. "Nonprofit Commercial Revenue: A Replacement for Declining Government Grants and Private Contributions?" In *Social Entrepreneurship*, edited by P. Day, and C. Steyaert, 40–64. Cheltenham: Edward Elgar.
- Kim, Y., and H. Jun. 2022. "Exploring Technology Innovation Factors, Government Support and Performance of Development-Related Social Enterprises: Evidence from South Korea." *Sustainability* 14 (22): 15406.
- Knott, Jack H., and Diane McCarthy. 2007. "Policy Venture Capital: Foundations, Government Partnerships, and Child Care Programs." *Administration & Society* 39 (3): 319–53.
- Lall, S. 2017. "Measuring to Improve Versus Measuring to Prove: Understanding the Adoption of Social Performance Measurement Practices in Nascent Social Enterprises." *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations* 28 (6): 2633–57.
- Lall, Saurabh A., and Jacob Park. 2022. "How Social Ventures Grow: Understanding the Role of Philanthropic Grants in Scaling Social Entrepreneurship." *Business & Society* 61 (1): 3–44.
- Lavie, D. 2006. "Capability Reconfiguration: An Analysis of Incumbent Responses to Technological Change." *Academy of Management Review* 31 (1): 153–74.
- Lee, Chong Kyoon, W. Cottle Griffin, Sharon A. Simmons, and Johan Wiklund. 2021. "Fear Not, Want Not: Untangling the Effects of Social Cost of Failure on High-Growth Entrepreneurship." *Small Business Economics* 57 (1): 531–53.
- Lee, Chong Kyoon, Fariss-Terry Mousa, Jinyoung Lee, and Seung Hwan Lee. 2024. "Consumer Behaviour and Social Entrepreneurship: The Case of South Korea." *Journal of Social Entrepreneurship* 15 (2): 585–604.
- Lin, N. 2017. "Building a Network Theory of Social Capital." *Social Capital* 3–28.
- Mair, Johanna, and Ignasi Marti. 2006. "Social Entrepreneurship Research: a Source of Explanation, Prediction, and Delight." *Journal of World Business* 41 (1): 36–44.
- Malatesta, Deanna, and Craig R. Smith. 2014. "Lessons from Resource Dependence Theory for Contemporary Public and Nonprofit Management." *Public Administration Review* 74 (1): 14–25.
- Margiono, Ari, Alanda Kariza, and Pantri Heriyati. 2019. "Venture Legitimacy and Storytelling in Social Enterprises." *Small Enterprise Research* 26 (1): 55–77.
- McCabe, Angus, and Sangjin Hahn. 2006. "Promoting Social Enterprise in Korea and the UK: Community Economic Development, Alternative Welfare Provision or a Means to Welfare to Work?" *Social Policy and Society* 5 (3): 387–98.
- Minniti, Maria. 2008. "The Role of Government Policy on Entrepreneurial Activity: Productive, Unproductive, or Destructive?" *Entrepreneurship Theory and Practice* 32 (5): 779–90.
- Minniti, Maria, and Carlo Nardone. 2007. "Being in Someone Else's Shoes: The Role of Gender in Nascent Entrepreneurship." *Small Business Economics* 28 (2/3): 223–38.
- Montgomery, A. Wren, Peter A. Dacin, and M. Tina Dacin. 2012. "Collective Social Entrepreneurship: Collaboratively Shaping Social Good." *Journal of Business Ethics* 111 (3): 375–88.

- Nicholls, Alex. 2009. "We Do Good Things, Don't We?: 'Blended Value Accounting' In Social Entrepreneurship." *Accounting, Organizations and Society* 34 (6–7): 755–69.
- Oliver, Christine. 1991. "Strategic Responses to Institutional Processes." *Academy of Management Review* 16 (1): 145–79.
- Palacios-Marqués, Daniel, María Guijarro García, Myriam Martí Sánchez, and María Pilar Alguacil Mari. 2019. "Social Entrepreneurship and Organizational Performance: A Study of the Mediating Role of Distinctive Competencies in Marketing." *Journal of Business Research* 101: 426–32.
- Pearson, Cecil A. L., and Klaus Helms. 2013. "Indigenous Social Entrepreneurship: The Gumatj Clan Enterprise in East Arnhem Land." *Journal of Entrepreneurship* 22 (1): 43–70.
- Pfeffer, Jeffrey. 1982. *Organizations and Organization Theory*. Marshfield, MA: Pitman.
- Pfeffer, Jeffrey, and Gerald Salancik. 1978. *The External Control of Organizations: A Resource Dependence Perspective*. New York: Harper & Row Publisher.
- Phillips, Wendy, Elizabeth A. Alexander, and Hazel Lee. 2019. "Going it Alone Won't Work! the Relational Imperative for Social Innovation in Social Enterprises." *Journal of Business Ethics* 156 (2): 315–31.
- Reichert, Patrick, Marek Hudon, Ariane Szafarz, and Robert K. Christensen. 2019. "Crowding-in or Crowding-Out? How Subsidies Signal the Path to Financial Independence of Social Enterprises." *Perspectives on Public Management and Governance* 4 (3): 291–308.
- Ridley-Duff, Rory, and Mike Bull. 2011. *Understanding Social Enterprise: Theory and Practice*. London: Sage.
- Rothaermel, Frank T., Michael A. Hitt, and Lloyd A. Jobe. 2006. "Balancing Vertical Integration and Strategic Outsourcing: Effects on Product Portfolio, Product Success, and Firm Performance." *Strategic Management Journal* 27 (11): 1033–56.
- Sahasranamam, Sreevas, and M. K. Nandakumar. 2020. "Individual Capital and Social Entrepreneurship: Role of Formal Institutions." *Journal of Business Research* 107: 104–17.
- Santarelli, Enrico, and Hien Thu Tran. 2013. "The Interplay of Human and Social Capital in Shaping Entrepreneurial Performance: The Case of Vietnam." *Small Business Economics* 40 (2): 435–58.
- Santos, Filipe M. 2012. "A Positive Theory of Social Entrepreneurship." *Journal of Business Ethics* 111 (3): 335–51.
- Schwens, Christian, Florian B. Zapkau, Michael Bierwerth, Rodrigo Isidor, Gary Knight, and Rüdiger Kabst. 2018. "International Entrepreneurship: A meta-analysis on the Internationalization and Performance Relationship." *Entrepreneurship Theory and Practice* 42 (5): 734–68.
- Sengupta, Subhanjan, and Arunaditya Sahay. 2017. "Social Entrepreneurship Research in Asia-Pacific: Perspectives and Opportunities." *Social Enterprise Journal* 13 (1): 17–37.
- Shockley, Gordon E., and Peter M. Frank. 2011. "The Functions of Government in Social Entrepreneurship: Theory and Preliminary Evidence." *Regional Science Policy & Practice* 3 (3): 181–98.
- Short, Jeremy C., Todd W. Moss, and G. Tom Lumpkin. 2009. "Research in Social Entrepreneurship: Past Contributions and Future Opportunities." *Strategic Entrepreneurship Journal* 3 (2): 161–94.
- Spear, Roger. 2019. "Collective Social Entrepreneurship." In *A Research Agenda for Social Entrepreneurship*, edited by D.B. Anne, and S. Teasdale, 82–93. Edward Elgar Publishing.
- Staessens, M., P. J. Kerstens, J. Bruneel, and L. Cherchye. 2019. "Data Envelopment Analysis and Social Enterprises: Analysing Performance, Strategic Orientation and Mission Drift." *Journal of Business Ethics* 159 (2): 325–41.
- Stephan, Ute, Lorraine M. Uhlaner, and Christopher Stride. 2015. "Institutions and Social Entrepreneurship: The Role of Institutional Voids, Institutional Support, and Institutional Configurations." *Journal of International Business Studies* 46 (3): 308–31.
- Sud, Mukesh, Craig V. VanSandt, and Amanda M. Baugous. 2009. "Social Entrepreneurship: the Role of Institutions." *Journal of Business Ethics* 85 (Suppl 1): 201–16.

- Teasdale, Simon. 2012. "What's in a Name? Making Sense of Social Enterprise Discourses." *Public Policy and Administration* 27 (2): 99–119.
- Teasdale, Simon, Fergus Lyon, and Rob Baldock. 2013. "Playing with Numbers: A Methodological Critique of the Social Enterprise Growth Myth." *Journal of Social Entrepreneurship* 4 (2): 113–31.
- Tepthong, Sookyuen. 2014. "A Theoretical Model of the Organizational Performance of Social Enterprises: Combining the Resource Dependence and Resource-based Views." *Journal of Public Administration, Public Affairs, and Management* 12 (2): 37–69.
- Thompson, John L. 2002. "The World of the Social Entrepreneur." *International Journal of Public Sector Management* 15 (5): 412–31.
- Thompson, John, Geoff Alvy, and Ann Lees. 2000. "Social Entrepreneurship—a New Look at the People and the Potential." *Management Decision* 38 (5): 328–38.
- Wallace, Sherri Leronda. 1999. "Social Entrepreneurship: The Role of Social Purpose Enterprises in Facilitating Community Economic Development." *Journal of Developmental Entrepreneurship* 4 (2): 153–74.
- Walter, Sascha G., and Simon Heinrichs. 2015. "Who Becomes an Entrepreneur? A 30-Years-Review of individual-Level Research." *Journal of Small Business and Enterprise Development* 22 (2): 225–48.
- Wei-Skillern, Jane. 2007. *Entrepreneurship in the Social Sector*. Los Angeles: CA: SAGE Publications.
- Wilson, Fiona, and James E. Post. 2013. "Business Models for People, Planet (& Profits): Exploring the Phenomena of Social Business, a Market-Based Approach to Social Value Creation." *Small Business Economics* 40 (3): 715–37.
- Young, Dennis R., and Mary Clark Grinsfelder. 2011. "Social Entrepreneurship and the Financing of Third Sector Organizations." *Journal of Public Affairs Education* 17 (4): 543–67.