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The Role of Community Engagement and Entrepreneurship in the Sustainability Performance of Social Ventures in South Korea

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ABSTRACT

Social ventures, hybrid enterprises pursuing for-profit business and mission-driven nonprofit goals, have rapidly grown in South Korea owing to local governments' proactive policies and support. Despite extensive government support, community-based social ventures often fail to sustain themselves due to lacking experience, strategies, and social networks. Informed by stakeholder theory, this study investigates the relationships between social venture strategies and the core dimensions of government-funded, community-based social enterprises' sustainability performance (economic, human resources management, and social performance). We circulated our online survey among the employees of community-based social start-ups funded by local governments in South Korea. In total, 210 participants completed the survey. The results of structural equation modelling demonstrated that venture entrepreneurship and community engagement are positively associated with all dimensions of sustainability performance, subsequently improving work satisfaction. As community-based social ventures involve diverse stakeholders, organizational members should negotiate

complementary or competing values in a holistic picture of all involved parties (e.g., funders, employees, and residents) to pursue sustainability efforts.

Keywords: Venture entrepreneurship, Community engagement, Social venture, Sustainability performance, Work satisfaction

INTRODUCTION

Social ventures are hybrid enterprises straddling the boundary between for-profit businesses and social mission-driven nonprofit organizations (Hockerts, 2006). Social ventures pursue “the double bottom line” to create social and economic value. Social ventures, therefore, need to evaluate their social impact, business model, and sustainability (Robinson, 2006). As well documented, however, it is incredibly challenging to achieve the double bottom line. Managing the double bottom line requires a careful balance between financial success and engagement with local community stakeholders. Failure to address the tension between these possibly competing organizational goals profoundly threatens business sustainability (Moizer & Tracey, 2010). Especially for small ventures that have limited social and instrumental resources can be difficult to simultaneously sustain their market competitiveness and social contribution in dynamic market environments. Hence, the core issue of social venture management is building a sustainable organization that can continue to deliver values by pursuing its social mission (Weerawardena et al., 2010). Implementing pragmatic strategies to pursue social and fiscal viability can help organizations achieve sustainability (McDonald et al., 2015).

Social venture models have been widely adopted as a popular business strategy globally (Margiono et al., 2018). Specifically, social venture opportunities and socially responsible investing have been growing in South Korea, partly owing to aggressive government policies, support, and control (Jung et al., 2016). Since the introduction of the Social Enterprise Promotion Act in 2007, the South Korean government has supported the foundation and operation of social ventures by providing large-scale public funds and tax exemption, managing a social venture certification program, and offering various training and education programs (Park & Wilding, 2013). As increased start-up activities in neighboring regions may help boost the local economy (Hong et al., 2015), local governments in South Korea have also run various programs dedicated to fostering community-based social ventures. To facilitate the creation of employment opportunities and the provision of social services, government-funded social ventures are highly encouraged to pursue venture entrepreneurship, engage closely with local communities, and adopt digital technologies for their business operations. Overall, government-directed social ventures in South Korea are expected to contribute to the local economy by providing appropriate services and hiring local employees (Jung et al., 2016).

Whereas local governments in South Korea continue to invest substantial resources in founding and supporting social venture start-ups in their region, community-based small start-ups in South Korea still suffer from a lack of experiences, strategies, and established social networks, which hampers organizational sustainability. The current study investigates the sustainability performance of community-based social start-ups funded by local governments, focusing on economic performance, human resources management (HRM) performance, and community-based social performance. To pursue this goal, this study investigates how social ventures' key business strategies—community engagement and venture entrepreneurship—are associated with each dimension of organizational sustainability performance. Subsequently, this study seeks to ascertain whether the three dimensions of sustainability performance relate to employees' work satisfaction. In aggregate, our study elucidates the linkages between community-based social ventures' core management strategies and organizational sustainability, which may, in turn, promote employee well-being.

LITERATURE

Theory of Organizational Sustainability

Organizational sustainability encompasses various meanings and dimensions due to its multipronged nature. A long history of definitional debates has resulted in organizational sustainability being used interchangeably with other terms such as corporate sustainable development, business sustainability, sustainability management, and sustainable operations management. In its most basic conceptualization, organizational sustainability can be framed as the capacity to maintain, implying that sustainability is merely a matter of preserving the status quo of an organization (Starik & Kanashiro, 2013). However, organizations can only realistically maintain their existence by anticipating and meeting their present and future needs. Sustaining an organization requires a long-term orientation and relentless pursuit of growth, which encourage substantial and long-lasting advantages for the organization (Paulraj, 2011). However, the means of achieving these goals are often contested and unclear. Although some organizations have the means and motivation to evaluate sustainability across several dimensions, most companies define sustainability outcomes in only one or two dimensions, such as economic performance or labor conditions (Ehnert et al., 2016). The definitional inconsistencies surrounding organizational sustainability often lead organizations to limit themselves in the actual practice of sustainable management.

Conceptualizing organizational sustainability in the context of stakeholder theory (Freeman, 1984) can help us clarify competitive advantages and the means to achieve them by considering various engaged parties. Stakeholder theory is a “humanistic conception of business” (Freeman et al., 2018, p. 219), that rejects the separation thesis of business and ethics and embraces human values and morals as fundamental to business (Freeman et al., 2004). Stakeholder theory orients scholars and practitioners to consider the roles and needs of multiple parties that affect and is affected by the organizations with which they are affiliated (Sulkowski et al., 2018). Specifically, primary stakeholders are the key parties that provide essential means of support to an organization, including funders, employees, and customers.

The humanistic orientation of stakeholder theory and the sustainability orientation of organizational management have several commonalities. Both theoretical frameworks regard business and ethics as fundamentally intertwined and push beyond the typical tendency to conceptualize business as maximizing short-term shareholder value (Hörisch et al., 2014). Contrary to popular belief, stakeholder interests link long-term sustainability and short-term economic performance rather than creating exclusive trade-offs (Schaltegger et al., 2019). Key stakeholders influence adopting organizational sustainability practices, which could lead to product and process innovation (Theyel & Hofmann, 2012). Furthermore, this multifaceted outlook on business may help organizations be sensitive to and tolerant of change, a key predictor of business longevity (Napolitano et al., 2015). Stakeholder theory and sustainability management orient scholars to consider relevant parties’ short-term and long-term needs.

In our study, organizational sustainability comprises three dimensions that tie the values of stakeholder theory and sustainability management: financial sustainability, HRM sustainability, and moral (or social) sustainability (Paulraj, 2011). Each dimension represents the interests of primary stakeholders that affect the organization’s success. Financial sustainability is economic performance in the pursuit of self-reliance, which largely relates to the interests of funders, shareholders, and management. HRM sustainability consists of human resources management and employee well-being, which represent the interests of the organization’s constituents. Finally, moral sustainability relates to the organization’s social performance, which is most relevant to external stakeholders like customers and local communities. By combining the above three dimensions of sustainability management, organizations can achieve a holistic understanding of the factors and parties that directly impact their ability to thrive over time and reach the double bottom line.

Sustainability of Community-Based Social Ventures

Venture entrepreneurship and organizational sustainability

Entrepreneurship is a defining feature of ventures that explore new opportunities beyond existing territories (Shin et al., 2014). Venture entrepreneurship is “the extent to which the top managers are inclined to take business-related risks, to favor change and innovation to obtain a competitive advantage for their firm, and to compete aggressively with other firms” (Covin & Slevin, 1989, p. 77). Namely, the three cornerstones of venture entrepreneurship are innovation, proactiveness, and risk-taking (Covin & Slevin, 1989). The desire to enhance an organization’s goods, services, and technological capabilities is a frequent and intense characteristic of innovation. Proactiveness is the degree to which an organization is openly and aggressively competitive. Finally, risk-taking refers to top management’s determination to make bold decisions to pursue greater rewards. The three dimensions of venture entrepreneurship qualify as a prime example of sustainability action that creates specific and practical pathways for improving sustainability performance (Epstein & Roy, 2001).

When an organization possesses a venture-entrepreneurship orientation, pursuing high-risk/high-reward ventures is more likely, which suggests positive outcomes for an organization’s financial performance (Lumpkin & Dess, 1996). It is also important to recognize that the innovation inherent in venture entrepreneurship is often a collaborative process between social ventures and their financial stakeholders (i.e., investors or business partners) (Newth, 2016). In other words, social ventures can act strategically during product or process innovation to appeal to the vision of relevant parties and thereby sustain a productive source of economic support. Additionally, small and medium-sized enterprises with entrepreneurial orientations are more likely to commit to sustainability in their strategic product decisions and planning (Jansson et al., 2017). Given that venture entrepreneurship values would manifest in product decisions and related financial outcomes, such entrepreneurial efforts may be linked to social start-ups’ financial performances. Thus, this study hypothesizes that strong venture entrepreneurship is associated with financial sustainability performance:

H1: Venture entrepreneurship is positively associated with the economic sustainability performance of social start-ups.

The outcomes of venture entrepreneurship are likely not limited to financial gains. After all, any successful product that emerges from a venture-oriented entrepreneurial orientation is only made possible through a process that encourages such values. Entrepreneurship is intimately linked to investment in HRM practices (Salamzadeh et al., 2019). A company that embodies venture entrepreneurship at the organizational level also invites and fosters entrepreneurship among its employees, which may lead to positive perceptions of the workplace and job. Indeed, corporate-level entrepreneurship has been positively associated with employees' job satisfaction and organizational commitment (Giannikis & Nikandrou, 2013).

Further, entrepreneurial values can guide employee values, ethics, and behaviors that enable sustainable actions (Tur-Porcar et al., 2018). As entrepreneurship is also related to strategic HRM practices, entrepreneurship can improve employees' psychological functioning, which predicts increased employee well-being (Nikolaev et al., 2020). Especially in social ventures, building an innovative and collaborative climate through strategic HRM is increasingly important. An organization that values venture entrepreneurship would have organizational processes and climates that appeal to employees. As such, the second hypothesis is:

H2: Venture entrepreneurship is positively associated with the HRM sustainability performance of social start-ups.

Given its innovative and proactive nature, venture entrepreneurship keeps organizations adaptable and dynamic, providing a better position for organizations to anticipate and meet present and future needs (Schaltegger & Wagner, 2011). To proactively execute organizational strategies, it is crucial to understand the changes in needs and demands among target customers and communities. In this respect, prior scholarship has reported that organizations that embody venture entrepreneurship are more likely to communicate actively with diverse stakeholders, including local community members, customers, and business clients. In particular, social enterprises consider community networking valuable because improved connections with local communities positively link entrepreneurship and social performance (Cho & Kim, 2017). Additionally, by adapting to stakeholder interests and concerns, organizations are more likely to cultivate increased social legitimacy and an improved reputation in their community (Paulraj, 2011). Therefore, H3 is presented as follows:

H3: Venture entrepreneurship is positively associated with the social sustainability performance of social start-ups.

Community Engagement and Organizational Sustainability

Community engagement refers to collaborative partnerships between an organization and local communities to improve the well-being of these communities, especially within the organization's geographic proximity (Bowen et al., 2010). Community engagement focuses primarily on three facets: "involvement of a firm in philanthropic activities for the community; communication of positive social behavior of a firm to its community; and exhibiting a positive social attitude by complying with regulatory laws" (Shafiq et al., 2014, p. 691). Organizations' participation in various community activities benefits organizations and local communities due to the interdependence between the entities (Porter & Kramer, 2006). Given this connection, community engagement is essential to organizational sustainability, business operations, and sustainability performance evaluation (Campbell & Slack, 2008). Especially for community-based social ventures, the implications of community engagement for organizational sustainability are more profound, given that community engagement is an integral part of the business rather than an add-on.

Indeed, the impacts of community engagement on the economic aspect of organizational sustainability performance have been extensively studied. For example, firms engaged in practices such as charitable donations to communities had high financial performance, in part because firms can reach out to a new group of potential customers through donations (McWilliams & Siegel, 2000). Organizations involved in community activities could also improve their revenue and attract financial resources from donors, philanthropists, and other socially responsive investors (Holland, 2009). Similarly, community engagement bolsters the financial performance of firms through increased competitive advantage (Harvey & Brereton, 2005) and decreased production costs (O'Regan & Oster, 2000). These relationships illustrate why scholars are increasingly drawn to emphasizing social relationships and capital as important inputs that affect social enterprises' overall financial performance (Bagnoli & Megali, 2011). Community engagement is a key management principle for social ventures that target local customers. Drawing on these studies, H4 is proposed:

H4: Community engagement is positively associated with the economic sustainability of social start-ups.

Additionally, prior work has demonstrated that organizations' dedication to community engagement can positively influence HRM and employee well-being in various ways. For instance, an organization's social practices directed at community members can fulfill employees' fundamental affiliation needs (McCabe, 2010). Employees' physical and mental well-being may be enhanced through meaningful interactions with local community members. Further, when organizations develop their local communities, employees report a higher quality of work-life experiences because they perceive their organization as caring and invested in improving human flourishing (Kim et al., 2018). Along this line, Docherty et al. (2002) state that employees who participated in community engagement experienced improved work-life balance. Therefore, an organization's community engagement endeavor may be linked to improvements in HRM. Building on this, we propose that:

H5: Community engagement is positively associated with social start-ups' human resources sustainability performance.

Finally, social ventures' community engagement may promote their social sustainability performance. Community engagement is an essential means of gaining the perspective of community members and collaborating to identify the issues that directly affect the community's well-being (Shahid Satar, 2019). Organizations' community engagement may enhance the well-being of local community members through various mechanisms such as improved community health, observation of human rights, and enhanced justice and inclusiveness (Joung et al., 2013). Indeed, organizations that engage local communities protect their human rights and safeguard them from potential harm (Brammer & Millington, 2003). Additionally, community engagement empowers residents by transferring knowledge and skills from the organization to the community members (Stern, 2001). The existing scholarship has demonstrated the significance of community engagement in social sustainability performance by highlighting how participating in various community activities can promote community wellness efforts conducted by organizations. Thus, H6 is presented as follows:

H6: Community engagement is positively associated with the social sustainability performance of social start-ups.

Organizational Sustainability and Work Satisfaction

Work satisfaction is the extent to which employees feel they have benefited from working on a project, which feeds into employees' desires to repeat or continue their work at an organization (Hoegl & Gemuenden, 2001). Work satisfaction is commonly associated with employees' success and continued performance. Social ventures may benefit from explicitly implementing sustainability strategies to increase employees' work satisfaction. Since sustainable organizations are attentive to the various factors that could improve their longevity, they are likely to benefit employees in various ways. Specifically, when organizational sustainability fosters a range of workplace outcomes, such positive organizational performances may increase employees' work satisfaction.

The financial performance of an organization can generally promote its employees' work satisfaction, as the economic success of an organization can benefit both the organization and its employees. It is well-established that equitable salaries, promotional opportunities, and adequate resources are important extrinsic rewards that predict work satisfaction (Hoegl & Gemuenden, 2001). Additionally, extrinsic rewards have been shown to facilitate work performance and organizational commitment, which may ultimately increase work satisfaction (Taba, 2018). As economically sustainable organizations emphasize revenue and return on investments to maintain their operations (Paulraj, 2011), they are also more likely to have the financial means to create and maintain extrinsic reward systems that appeal to employees. Likewise, social venture employees are more likely to be satisfied as their salary increases and less satisfied when they experience job insecurity (Kang, 2011). In sum, organizations' economic sustainability can increase employee satisfaction, as presented in the following hypothesis:

H7: The economic sustainability of social start-ups is positively associated with work satisfaction among employees.

Next, investing in human resources performance will likely generate favorable outcomes for employees and organizations. Enhancing employee motivation, welfare, and quality of life can improve employee voice,participation, and well-being, essential to human resource performance (Kim et al., 2022; Kim & Leach, 2021; Shafiq et al., 2014). The quality of work life can promote job and overall life satisfaction (Lee et al., 2015). Many organizations are increasingly invested in identifying and improving the factors that promote internal corporate social responsibility, such as staff development and training, equal opportunities, and fair procedures (Cornelius et al., 2008). By addressing these internal factors that sustain human resource performance, organizations create conditions that promote employee dignity and quality of life (Cornelius et al., 2008). These HRM performances subsequently cultivate work satisfaction among employees. Thus, this study hypothesizes:

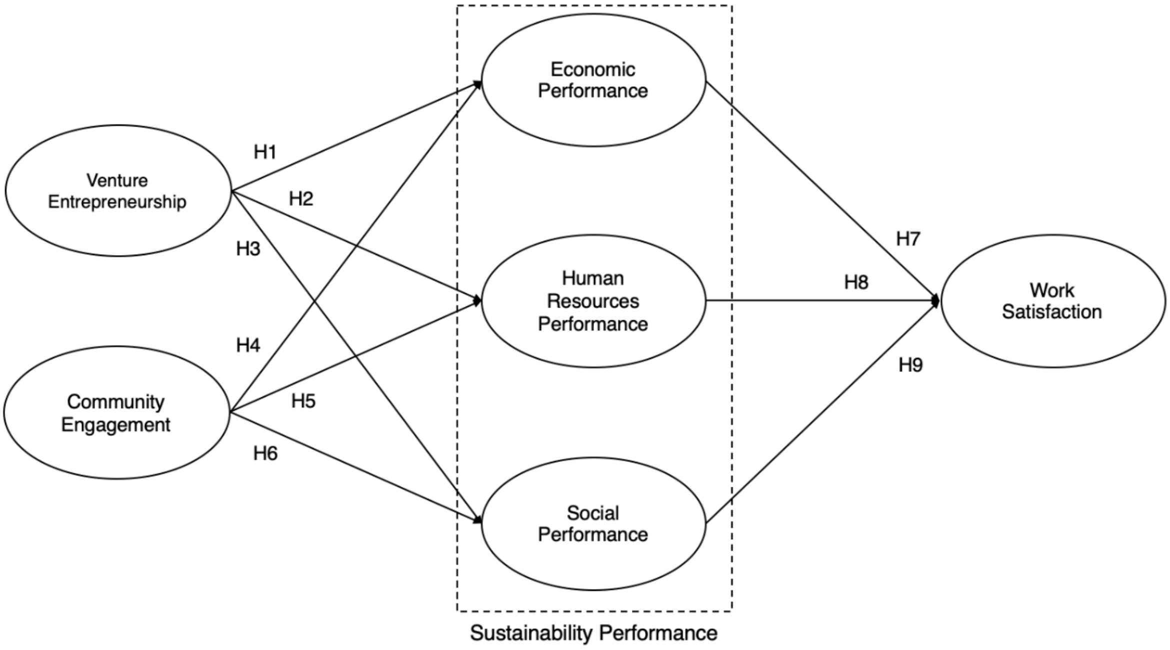
H8: Human resources sustainability performance in social start-ups is positively associated with employee work satisfaction.

Organizations' engagement in social practices directed toward community members can also enhance employee commitment and well-being (Brammer et al., 2007). As employees are aware of the social contributions enacted by the organization, they are likely to weigh in on these practices when evaluating their organization. Employees tend to evaluate socially engaged organizations more positively and therefore report high work satisfaction (Glavas & Kelley, 2014). Further, organizations' social sustainability performance can cultivate employee commitment because employees experience positive feelings from participating in their organization's social activities (Maignan et al., 1999). As such activities can enhance organizational reputation, employees are more likely to identify with the organization, which is linked to work satisfaction (Carmeli et al., 2007). In this regard, H9 is presented below:

H9: The social sustainability performance of social start-ups is positively associated with work satisfaction among employees.

For the conceptual model that illustrates all hypothesized relationships, see Figure 1.

Figure 1 *Hypothesized Model*



METHOD

Data Collection

A confidential online survey was distributed to the employees of community-based social start-ups funded by local governments in South Korea. To do so, we obtained the email addresses of social venture employees from the local government agencies that managed social enterprise promotion programs in their region. The online survey was circulated among 1,023 social venture employees nationwide in November and December 2019. The survey was open for approximately five weeks. In total, 210 participants completed the survey without any missing answers, yielding a response rate of 20.5%. All participants who completed the survey received an e-gift certificate worth about $20 on average, which could be used in local convenience stores. Respondents were informed that study participation was voluntary, their answers were confidential, and only aggregated results at a group level would be reported.

Measurements

All measures in the present study were based on a 5-point Likert-type scale (1 = strongly disagree, 5 = strongly agree), unless otherwise noted. Respondents were asked to indicate the perceived degree of their organization's venture entrepreneurship. We utilized a widely adopted venture entrepreneurship scale, initially named an entrepreneurial strategic posture scale (Covin & Slevin, 1989). The scale items assess the degree of innovation, proactiveness (i.e., competitive orientation), and risk-taking. The sample statements of this nine-item scale included: "My organization favors a strong emphasis on R&D, technological leadership, and innovation" (innovation), "My organization typically initiates actions that competitors then respond to" (proactivity), and "My organization has a strong proclivity for high-risk projects with very high returns" (risk-taking). In line with the original scale, all items were loaded on a single factor, confirming that the scale is unidimensional (M = 3.26, SD = .73, α = .87). We measured community engagement using the community advice scale, which examines organizations' socially responsible practices directed toward improving relationships with the local community (Shafiq et al., 2014). The sample items of the five-item scale included: "My organization engages the community to evaluate the impact of our business" and "My organization has a specific policy for engaging and consulting the community" (M = 3.05, SD = .93, α = .91).

An adapted version of the sustainability performance scale (Paulraj, 2011) was employed. Sustainability performance consists of three dimensions: economic performance, HRM performance, and social performance. Economic performance items asked about a decrease in the cost of materials purchased, a decrease in the cost of energy consumption and waste discharge, an improvement in return on investment, and an increase in revenues (M = 3.15, SD = .64, α = .79). The questions about HRM performance inquired about an improvement in employee welfare and wellness as well as an improvement in the quality of employees' work lives (M = 3.20, SD = .78, α = .91). Regarding social performance, the scale items interrogated corporate contributions to community health promotion as well as their contributions to improved awareness and protection of the rights of people in the community served (M = 3.12, SD = .91, α = .89). This study employed the three-item work satisfaction scale developed by Hoegl and Gemuenden (2001). Sample items included: "The team members have gained from the collaborative project" and "The team members would like to do this type of collaborative work again" (M = 3.74, SD = .66, α = .83).

Control Variables.

As extant scholarship has suggested that environmental hostility may affect venture entrepreneurship, management strategy design, and firm performance (Covin & Slevin, 1989; Shin et al., 2014), social venture employees' perceptions of environmental hostility during the past year were assessed. The scale of environmental hostility consisted of three items, such as "the external environment was very risky, and a false step could mean my organization's undoing" and "the external environment was very stressful, exacting, hostile, and very hard to keep afloat" (M = 3.03, SD = .80, α = .78). In addition, the study model included the use of digital technologies as a control variable, given that it was encouraged among social ventures as one way to support business operations. The use of digital technologies was investigated for two business purposes: (a) product and service development and (b) public relations and marketing. These two types of technology use reflect innovation capability (i.e., an organization's ability to sense, acquire, and utilize new technologies, ideas, and approaches) and marketing capability (i.e., an organization's practices to apply resources to market-related needs), which can contribute to organizational performance (Yuan et al., 2016). Participants were asked to indicate whether or not their organization utilized digital technologies for each purpose (0 = No, 1 = Yes). Then, we took the mean of their answers (M = .84, SD = .33, α = .80). Lastly, this study considered the characteristics of social ventures that may be associated with sustainability performance. We examined the number of employees because the size of an organization may influence business sustainability (M = 10.35, SD = 26.65). Participants were also asked to specify the location of their organization. As social, financial, and other instrumental resources are disproportionately available in Seoul compared to other regions, we created a dichotomous variable to differentiate Seoul-based social ventures from others (Seoul = 1, Other = 0).

Data Analysis

As preliminary analyses, the authors examined bivariate correlations among all study variables (see Table 1). We performed primary analyses using structural equation modeling (SEM) with maximum likelihood estimation procedures to ascertain whether the hypothesized model fits the observed data. Following the two-step modeling procedures outlined by Kline (2015), a confirmatory factor analysis (CFA) was conducted using a measurement model that included all variables prior to testing the hypothesized model. To identify latent constructs, a hybrid structural equation model was operationalized by using all measurement and structural parameters (Stephenson & Holbert 2003). Finally, the authors tested all mediated relationships using Process 3.1 to confirm the indirect effects specified in the hypothesized model (Hayes, 2018). Based on 10,000 bootstrapped samples, indirect effect coefficients were computed using bias-corrected and accelerated 95% confidence intervals.

Table 1 *Bivariate Correlations among Study Variables*

	1	2	3	4	5	6	7	8
1: Venture Entrepreneurship								
2: Community Engagement	.15*							
3: Economic Performance	.35**	.25**						
4: HRM Performance	.27**	.18**	.50**					
5: Social Performance	.21**	.61**	.34**	.38**				
6: Environmental Hostility	.32**	.01	.05	.00	-.07			
7: Digital Technology Use	.15*	.06	.09	.09	.03	.01		
8: Business Location[1]	.14*	-.19**	.05	.11	-.05	.02	.14	
9: Organization Size	.07	.01	.06	.09	.10	-.04	.00	.25

Notes. [1] 1 = Seoul, 2 = Other Regions. * $p < .05$, ** $p < .01$

RESULTS

Preliminary Analysis

First, the results of bivariate correlation analysis demonstrated that all study variables were moderately correlated with one another, except that digital technology use and control variables were not correlated with endogenous variables in the proposed model. Although using digital technologies positively correlated with venture entrepreneurship, it did not directly affect the organization’s sustainability performance or work satisfaction. Next, although control variables did not show statistically significant relationships with the endogenous variables, some correlation results showed meaningful findings. Environmental hostility was positively correlated with venture entrepreneurship, indicating that organizations adopted more innovative and risk-taking strategies to respond to hostile environmental conditions effectively. Also, employees in Seoul were more likely to perceive that external environmental conditions were demanding and hostile than employees in other regions. Additionally, organizations in Seoul tended to be larger and less likely to engage in local communities, implying the challenges of community engagement in large metropolitan areas. The proposed control variables were excluded from the final empirical model based on the results of correlation analyses that revealed non-significant relationships.

Primary Analysis

A CFA of the six-factor measurement model demonstrated great model fit: χ^2 (237, *N* = 210) = 488.39, *CFI* = .91, *RMSEA* = .069 [90% CI: .062, .080], *SRMR* = .07, *p* < .001. For all latent constructs, manifest indicator loadings ranged from .60 to .97. We tested the hypothesized model using SEM with maximum likelihood estimation procedures. The final empirical model produced a great model fit: χ^2 (276, *N* = 210), 508.92, *CFI* = .92, *RMSEA* = .076 [90% CI: .070, .088], *SRMR* = .07, *p* < .001. As proposed, venture entrepreneurship was positively related to economic sustainability performance, human resources sustainability performance, and social sustainability performance. Community engagement was also positively linked to all three dimensions of organizational sustainability performance. Subsequently, the three dimensions of sustainability performance increased employees' work satisfaction (see Figure 2). Finally, bootstrapping procedures revealed significant indirect effects for all mediation paths indicated in the model (see Table 2).

Figure 2 *Final Empirical Model*

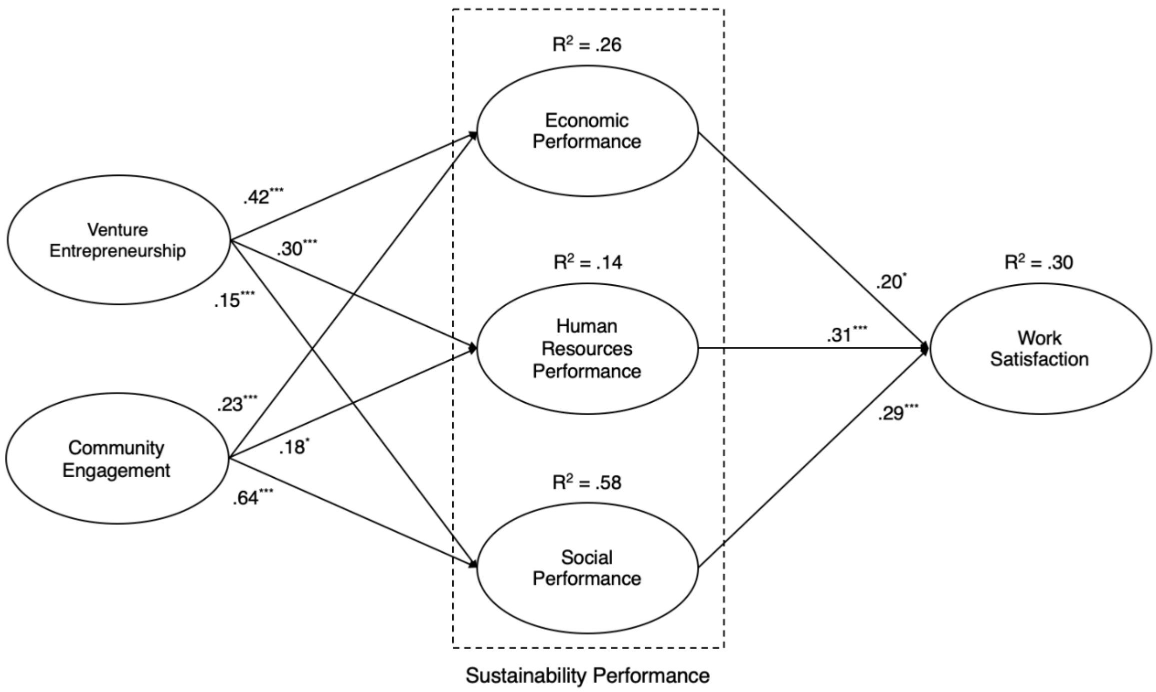


Table 2 *Indirect Effects among Study Variables*

Paths	*b*	*SE*	*CI* (Lower, Upper)	
Venture Entrepreneurship → Economic Performance → Work Satisfaction	.122	.040	.049	.205
Venture Entrepreneurship → Human Resources Performance → Work Satisfaction	.118	.039	.048	.201
Venture Entrepreneurship → Social Performance → Work Satisfaction	.094	.039	.019	.173
Community Engagement → Economic Performance → Work Satisfaction	.087	.037	.023	.167
Community Engagement → Human Resources Performance → Work Satisfaction	.073	.035	.007	.144
Community Engagement → Social Performance → Work Satisfaction	.203	.042	.122	.287

Note. All indirect effects were statistically significant at $p < .001$.

DISCUSSIONS

The current study advances our knowledge of the sustainability of community-based social start-ups in South Korea, particularly those funded by public grants initiated by local governments. Informed by stakeholder and sustainability theories, we examined the core dimensions of sustainability performance (i.e., economic, HRM, and social performance) of social ventures and how each dimension can be promoted by venture entrepreneurship and local community engagement. As entrepreneurial spirit is generally helpful for exploring new market niches (Shin et al., 2014) and cultivating social transformation (Daskalaki et al., 2015), the authors sought to investigate its impacts on the various facets of social venture sustainability. The present study also examined the role of community engagement in organizational sustainability performance because of the long-standing question about whether the virtuousness of organizations (e.g., moral responsibility, social contribution, and community engagement) is linked to their performance (Cameron, 2013; McDonald et al., 2015) is particularly significant and relevant in the context of social ventures that aim to give back to the community. The findings revealed that venture entrepreneurship and community engagement could improve social ventures' economic, HRM, and social sustainability performance. In turn, employees of social ventures that exhibited enhanced sustainability performance were likely to show higher work satisfaction.

First, venture entrepreneurship can be understood as part of the economy and society, which can achieve social betterment and lasting community growth (Daskalaki et al., 2015). In particular, venture entrepreneurs funded by public grants and/or trained by local governments' social enterprise programs are more likely to be interested in their role in social transformation and sustainability. Further, situated in fast-changing industry landscapes, social ventures' strategic emphasis on innovativeness and competitiveness can assist them in identifying emerging needs in their regions, proactively connecting with potential partners and customers, and pursuing long-term value creation. Early acquisition of resources, legitimacy, and central positions in collaborative networks contributes to social enterprise sustainability (Jenner, 2016). Our findings demonstrate the positive influences of venture entrepreneurship on community-based social ventures' sustainability.

Second, community engagement—which encompasses various activities including transparent information sharing, socially responsible practices, local event participation, and donations—can improve sustainability performance, particularly among local-based social ventures. Unlike large corporations that take action on broad societal issues by harnessing large-scale campaigns and fundraising, small businesses build tight bonds with the communities they serve and the customers they see daily (Cresanti, 2019). Close relationships with local suppliers, customers, and even civic activist groups in the region may help social ventures occupy a vantage point where they can better detect and respond to local community needs. This may subsequently lead to enhanced organizational performance by effectively addressing customer demands. Social ventures' initiatives focusing on their community's most relevant and salient issues can ultimately promote their value proposition, development, and sustainable growth. When community engagement brings about positive changes and development in the local area, such local activities could help social ventures achieve a competitive advantage (Roy & Karna, 2015), which may improve financial performance, employee satisfaction, and sustained local contributions. Considering the social ventures' expected role in the region, their commitment to community engagement can result in lasting relationships with local stakeholders and sustainable growth.

Third, improved organizational sustainability can benefit organizations and their employees. Employees indeed care about their organization's HRM practices and corporate sustainability, especially in light of their accountability as social enterprises. Social ventures' sustainability orientation, which has an inherently ethical and moral nature, may help create and maintain an organizational ethical climate. Such a climate can foster employee commitment, job satisfaction, and psychological well-being (Guerci et al., 2015). When organizational sustainability is translated into practice, it is viewed as people-centered or employee-focused rather than merely finance-focused, especially among small and medium-sized enterprises (Bos-Brouwers, 2010). Sustainable HRM performance often emphasizes employee well-being, represented by practices such as improved leader-member relationships, open communication, and participatory decision-making. Organizations that show higher sustainability performance are more likely to invest in the growth and development of people, reducing employee turnover (Epstein & Roy, 2001). Echoing this, our findings showed that all three dimensions of organizational sustainability performance were positively associated with work satisfaction among social venture employees.

Fourth, this study highlights the theoretical utility and significance of a stakeholder model of social venture sustainability. As social enterprises that pursue multiple bottom lines are more likely to involve diverse stakeholders than traditional businesses, the stakeholder theory can be particularly conducive to conceptualizing, measuring, and evaluating the different sustainability goals of social ventures. Researchers and industry practitioners can create a more concrete and practical perspective on planning organizational sustainability efforts by considering multiple stakeholders' needs and benefits. As different entities' long-term needs and goals may vary, a stakeholder approach could help organizational members identify and negotiate complementary or competing values in a holistic picture of all involved parties. Although our study delved into sustainability dimensions connected only to primary stakeholders, future studies could also include secondary stakeholders (e.g., civic organizations in the neighborhood) in their analysis to develop an in-depth understanding of social venture sustainability. In doing so, we can enrich our knowledge of the sustainability performance of social ventures by examining a complex network of involved parties, differential goals and desires, and changing relationships among stakeholders.

Finally, the study findings have important implications for practices and policies concerning the positive outcomes of venture entrepreneurship and community engagement. To support local ventures or start-ups that may be founded by new entrepreneurs, the national or local governments can provide management and employees with educational programs on entrepreneurial spirit. Specifically, training workshops or best practice exchange sessions can be useful for sharing insight into management strategy design that can effectively handle the liability of smallness and newness. As it could be substantively difficult for small social ventures to embody the key characteristics of venture entrepreneurship (e.g., competitiveness, risk-taking), consulting and training programs can be considered valuable for community-based social ventures. Additionally, the executives of social ventures need to show their clear commitment to community engagement, which will ultimately uphold organizational sustainability and promote employee satisfaction. Social enterprises should strive to cultivate meaningful connections with local groups and residents who can be clients and advocates for their business missions. To lubricate forging and maintaining relationships among the members of social ventures and community stakeholders, various networking and socializing events can also be hosted by civic agencies, local governments, and social enterprises. Those events can also be organized using digital platforms to support the creation of new connections and offer sustainable communication channels.

Limitations and Future Research

Like any research, the current study is not without limitations. First, given the cross-sectional nature of our study, we do not claim any causal associations. Since we aim to delve into organizational sustainability performance, conducting a longitudinal study with staggered time points for data collection is ideal. In doing so, scholars can corroborate the antecedents of organizational sustainability by drawing on performance outcomes over a lengthy period of time. Second, as an exploratory study to investigate the sustainability performance of government-funded social ventures in South Korea, we focused primarily on three core sustainability aspects based on the primary stakeholders' goals. To deepen our understanding of the sustainability performance of social ventures, future studies could consider a broader network of stakeholders when identifying and assessing the multiple dimensions of sustainability. That way, scholars can build a situational understanding of organizational sustainability in the context of complex goals, needs, and influences of stakeholders across diverse groups and institutions. By addressing these limitations, future studies can enrich our knowledge of how social enterprises may survive and thrive over a sustained period of time.

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