The influence of social supportive culture and performance-based culture on social enterprise performance: the mediation role of Social entrepreneurial orientation

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Abstract

Purpose Social enterprise (SE) survival is at stake in pursuing the dual mission (social and economic). For this reason, we try to reconcile the SE growth and sustainability issue through the shaping role of top management team (TMT) involvement along with performance-based (PBC)/ social supportive culture (SSC) and SE performance in the presence of social entrepreneurial orientation, which may enhance the SE internal capabilities that assist them in gaining sustainability and stability for SE.

Methodology In this study, we employed the quantitative survey approach to investigate the proposed relationship with the 268 valid responses collected from top management teams, including CEOs from small- to medium-sized social enterprises in mainland China.

Findings Our findings support that PBC and SSC enhance SE growth and performance. On the other hand, SEO as the mediator does not impact SSC and SE performance, while SEO partially mediates the PBC and SE performance relationship along with TMT involvement as a moderator.

Practical implications This study shows the top management teams that culture is a vital component of SE performance. Likewise, using PBC and SSC simultaneously or utilizing them from specific perspectives of the entrepreneurial process and understanding situational factors that support the impact of each functional behavioral logic increase the chances of SE success.

Originality The previous literature widely addresses the influence of PBC and SSC on conventional entrepreneurship, but it does not explicitly address social enterprises: even though social enterprises deal with conventional and social approaches together.

Keywords Performance-based culture · Social · Supportive culture · Social enterprise performance · Social entrepreneurial orientation · Shared values

Abbreviations

TMT Top management team
PBC Performance-based culture
SSC Social, supportive culture
SEO Social entrepreneurial orientation
SE Social enterprise
EO Entrepreneurial orientation

“To change the standards of our society, we can’t just offer a product sold to consumers, but a solution that
proves our sustainable processes are an environmental, social, and financial improvement to the norm”

—Monty Hasan.¹

Introduction

In recent years, academic research has become more concerned with social enterprises’ sustainability and growth, balancing social values and profit (Haldar, 2019; Phillips, 2006). Therefore, it is vital to research social enterprise from diverse angles to improve and enhance our understanding of how descriptive norms: performance-based (PBC)/social supportive culture (SSC) (Hofstede, 2006) and a shared social vision enhance social enterprise (SE) performance that leads towards the SE sustainability and stability. In general, culture shows society’s unique ideas, values, and beliefs, providing a greater understanding of where and how societies manage interactions (Hofstede, 1980; Trompenaars & Hampden-Turner, 1998). These qualities get attention at the firm level to recognize the people’s self-determination to engage in productive activities to achieve the social and economic objectives when they know that their firms value them. The idea is based on solid cultural descriptive norms, like PBC and SSC are used to determine society’s effects (Fischer, 2006, 2008), focusing on shared socialization and improving SE performance. SSC empowers the employee to share their ideas, beliefs, and values and provide the best services to their internal and external clients, enhancing the firm productivity growth (Adler & Kwon, 2002) and diminishing the risk factor (Brewer & Venaiik, 2010). On the other hand, PBC continues the positive momentum of SSC in the SE by encouraging the employees to provide financial benefits in terms of salary raise, bounces, appreciation certificates, designation promotion (Collins et al., 2004), and social benefits in terms of maternity and sick leaves, and personal employee training programs including digital skills certification. Both cultures create distinct unique insights inside the SE environment, which help the SE deal with competitors, rapidly changing market conditions, consumer demand, and uncertain situations.

Most importantly, performance-based culture (PBC) is necessary to maintain a competitive edge. It holds the organization together and drives the employees to perform better. Moreover, PBC practices are typical actions performed by individuals that firm managers evaluate based on performance (Shteynberg et al., 2009). Thus, firms raise individual spirits by adapting the PBC norms standard to their societies because such cultural norms reward individual achievements and motivate active participation to reshape the firm strategies to enhance SE performance (Stephan & Uhlanner, 2010). On the other hand, social support entails interpersonal interactions that emerge in the culture-specific social relationship patterns; social support is an essential component of interactions in personal relationships such as with friends (Cortina, 2004). This SSC creates value that may have helped them set things to improve their efficiencies and enhance their skills related to others, express emotions, ask for help from others in times of need, and provide help to others in need. However, these activities are culturally similar; this approach ensures that a supportive culture increases an entrepreneurial culture’s sustainability (Kim et al., 2008).

Prior research about PBC and SSC mainly investigated conventional entrepreneurship (Klapper et al., 2021; Oultla & Hamzaoui, 2021). Likewise, Gimenez-Jimenez et al. (2020) found that SSC decreases the risk factor in the progress of new ventures relative to the PBC. Notably, Rieger et al. (2021) explained that SSC is vital for measuring and positively influencing social entrepreneurial intentions. At the same time, Haldar (2019) highlights the importance of sustainability-driven entrepreneurship, covering environmental, social, and economic factors. However, there is still a long way to go to explain the PBC and SSC influence on social enterprises, which substantially impacted it because both cultures have been viewed to enhance firm capabilities (Tung et al., 2014) at the individual level inside the firm to increase the overall firm performance (Choi, 2020) that directs the enterprise growth and sustainability (Haldar, 2019). More specifically, empirical research enhances our understanding that social entrepreneurship can help social enterprises become more effective or provide the process underlying innovative and entrepreneurial activity for the social purpose (Montoya & Stasiewicz, 2020).

This research helps explain firm culture in support of social purpose, motivations, and actions mainly focused on the cultural values and beliefs that improve employees’ behaviors to understand the organization’s strategy and environment to develop a thriving social support/performance-based culture to achieve competitive advantages that influence SE performance (Stephan & Uhlanner, 2010). Likewise, the organization’s culture helps us manage economic activity, take risks, innovate, plan, and combine resources to create new goods, solutions, and concepts (Engidaw, 2021). Culture also empowers enterprises to respond to environmental changes in innovative ways. This study also employed social entrepreneurial orientation (Lumpkin & Dess, 2001) as a mediator among PBC/SSC and SE performance, which is considered vital to enhance the firm’s sustainable performance and competitive advantage (Stam & Elfring, 2008). Moreover, prior research showed that SEO substantially impacts SE performance (Engidaw, 2021; Pinheiro et al., 2021), where top management team

¹ https://www.valvisio.ag/corporate-sustainability/
(TMT) behavior supports the development of a social entrepreneurial orientated culture which impacts performance.

Our main contribution is designing and testing a model that influences the SE performance. First is the effect of PBC and SSC on SE performance. Second is SEO’s mediating role between descriptive culture (PBC and SSC) and SE performance in the presence of TMT.

**Hypotheses development**

In this research, we employ the management theory, which is the part of leadership theory (Bass, 1985), which explains the logic between firm culture and strategy that support activity that is intrinsically driven by the individual, which is an essential factor in encouraging ideas (Mehmood et al., 2021). Individual creative performance considers the development of an individual’s internal motivation and the encouragement of external factors (Amabile et al., 1996). The leader considers as TMT (Bagheri et al., 2020) works best within the current system and culture (Lok & Crawford, 2004) that controls the performance process through rewards and punishments. However, in this study, we focus on descriptive culture performance-based cultural (PBC) and social supportive cultural (SSC) (Stephan & Uhlaner, 2010); in this way, managers seek to motivate and encourage their employees to grasp more opportunities to gain external skills that are one of the benefits of this approach and enhances the SE performance (Shin, 2018) (see in Fig. 1). In addition, this style can inspire and foster creativity.

Similarly, TMT focuses on maintaining established innovation procedures (Harmancioglu et al., 2010); generally, managers benefit from entrepreneurial cultures and other settings that promote creativity and innovation (Jun et al., 2022; Schmitt-Rodermund, 2004). TMT also provides shared values and beliefs in entrepreneurial settings, creates social rules, and allows employees to understand better their working environment and culture (Friedman & Carmeli, 2018). Xu et al. (2019) have shown how TMT of the social enterprise plays a substantial role in coordinating and improving its ability to support high levels of entrepreneurial activity. Therefore, it is essential to analyze either TMT to ensure their workforce has the entrepreneurial qualities to explore unique ideas that will lead to their performance (Miao et al., 2019). Likewise, TMT believes employee intrinsic motivation and social support are essential in motivating employees to be more creative to enhance SE performance (Zhang & Bartol, 2010).

**Performance-based cultural (PBC) and social enterprise performance**

PBC (House et al., 2004) describes it as an individual accomplishment rather than collective membership, familial links, or status. PBC culture and planning are considered adequate for achieving high performance (Stephan & Uhlaner, 2010). According to the concept of person-culture connection, Choi (2020) shows that societies with a PBC significantly impact social enterprise. In entrepreneurial firms, the enterprise’s success depends on the manager’s shared ideas, values, and social support for employees in obtaining firm goals (Garg & Eisenhardt, 2017). Furthermore, despite routine activities, managers give more tasks, and barriers in communication with high authority that includes risk and uncertainty, which could have adverse outcomes; due to these factors, employees feel the burden of their work. Thus, Zhang & Bartol (2010) explained that a psychologically safe environment and culture (Zhang & Bartol, 2010) make employees comfortable to engage in creative firm goals and decision-making activities (Jun et al., 2022) that enhance SE performance (Miao et al., 2019). However, TMT does not entail the individual consideration element in decisions of the firm; they consider their employees to be a part of firm decisions.

In contrast, they build the employees’ confidence to provide social support and intrinsic motivation (Luo et al., 2018). In this way, employees’ entrepreneurial skills and abilities boost that assist them in enhancing their knowledge for innovating ideas (Cardon et al., 2009) and solving problems at work. It is essential for the long-term growth and sustainability of any firm because it offers new product development ideas for new or existing products, services, and procedures (Pinheiro et al., 2021) to compete with external forces. So we theorized that:
**H1**: Performance-based culture is positively related to SE performance

**Social supportive cultural (SSC) and social enterprise performance**

SSC entails interpersonal interactions (Tung et al., 2014). It can be viewed in the context of culturally specific social relationship patterns such as friendly, generous, tender, and tolerant of mistakes (House et al., 2004). SSC shows a society’s unique characteristics that show how societies handle interactions along its norms and relationships (Tung et al., 2014). It also creates a positive social environment in which individuals help one another or are concerned and sensitive towards others (Vickers, 2010). In a society, SSC is the concept of individual value preferences, which review the primary focus of shared socialization in their work that increases SE performance. The previous literature gives positive effects of SSC on entrepreneurial orientation (Hayton et al., 2002), which addressed in different ways such as information sharing, a reduced need for monitoring, and lack of assessment. Specifically, we propose that SSC will positively impact SE because SSC entrepreneurs are more likely to get support and assistance in developing and running their enterprises than entrepreneurs in non-SSC (Kerlin, 2012). Prior research has shown that employees easily make relationships in a social supportive culture (SSC); in this way, they get more resources, such as information exchange, money, and emotional support, which are essential for the SE performance and operation of an enterprise (Stephan & Uhlaner, 2010). Moreover, SSC assists social enterprises in achieving sustained competitive advantage by accessing external resources with employee support which substantially contributes to the SE performance. Thus, we theorized that:

**H2**: Social supportive culture is positively related to SE performance

**Moderation effect of TMT involvement**

Chaganti et al. (2016) observed that TMT involvement is related to a firm’s capacity to implement competitive social strategies such as improving learning and developing a supportive culture that positively affects social performance (Liu et al., 2014). However, researchers have classified culture in different ways (House et al., 2004; Rauch et al., 2000) such as Fey and Denison (2003) have shown that organizational culture includes both executives’ and employees’ commitment and a strong sense of ownership in decisions of the organization that affects enterprise performance (Gilheshpy, 1999). This study focuses on PBC and SSC while in performance-based culture, TMT focus on employees’ effectiveness in their jobs (House et al., 2002), and in SSC, TMT focus on employees’ participation in the decision-making process and are treated fairly (House et al., 2004). So, SSC also provides facilities to TMT by providing the chance to share information, exchange new ideas, and trust the employee, reducing the requirement for assessment and transaction costs due to a greater willingness to participate proactively (Pryor, 2007). However, research has shown that TMT is directly linked to entrepreneurial orientation (EO) aspects of innovation, risk-taking, and proactiveness (Sciascia et al., 2013) because the TMT act is essential in deciding a firm’s decision-making strategy success as developing capabilities and skills which may utilize to get competitive advantages to form the market in the same industry. Entrepreneurial orientation (EO) can also create new ideas, superior actions, and upgrade strategies that maintain the value of the firm performance based on its awareness of its environment and customers’ needs. Hence, we propose:

**H3**: TMT involvement positively moderates the relationship between PBC and SEO

**H4**: TMT involvement positively moderates the relationship between SSC and SEO

**Mediation effect of social entrepreneurial orientation**

SEO is the extension of the entrepreneurial orientation (EO), which has gained much attention since its inclusion in the literature (do Adro et al., 2021; Jun et al., 2022; Alarifi et al., 2019). Likewise, prior research shows a strong connection between the profitable and nonprofit sectors in describing a main relationship between firm-level EO and firm performance, which has been seen as a vital element in enhancing firm revenue through the continuous innovation and invention in the product line and processes and also viewed as an economic, new product performance (Jun et al., 2022; Pearce et al., 2010). Research has shown that social entrepreneurial orientation (SEO) can create tremendous value like EO by focusing on in-depth information regarding innovations, awareness of its changing environment, customer demands, and developing and maintaining a significant culture (Latif & Ali, 2021; Wang et al., 2021).

Moreover, PBC and SSC (Hofstede, 2016) play a central role in reshaping decision-making to enhance the firm’s capacity and growth. However, sometimes PBC has a weaker relationship with SE performance because unfair performance evaluation, salary reduction, unnecessary punishments, and job transfers reduce employee motivation that harms SE performance. Thus, Taheri et al. (2019) explained that employees need entrepreneurial motivation to actively participate in the entrepreneurial processes to enhance SE performance (do Adro et al., 2021). At the same time, social
enterprises with SSC have a more sympathetic orientation, which enhances the social enterprise social environment through engaging their employee for the betterment of society and the greater good (Thai & Turkina, 2014). More particularly, entrepreneurial framework conditions aim to support entrepreneurs through development activities and other supports for innovative and growth enterprises are all part of the social support (Garçon et al., 2021). On the other hand, employees have the skill and ability to perform their activities, but they need some time and space to show their abilities; due to a cultural lack of specific social relationship patterns, they become afraid of evaluations, final appraisal, and direct feedback sessions (Anderson & West, 1998; Choi et al., 2003) which make them less productive; in this environment, employees do not feel comfortable experimenting with novel methods of completing tasks. So, we suggest:

- **H5**: SEO mediates the relationship between PBC and SE performance
- **H6**: SEO mediates the relationship between SSC and SE performance

### Methodology

#### Data sample and collection

In this study, we target social enterprises to collect data from top management teams, including CEOs from mainland China, except Hong Kong, Taiwan, and Macao. For this purpose, we divided our data collection strategy into two sections. First, we collected the information of social businesses such as mailing address, emails, and cell and office phone numbers through two valid platforms: (1) “Osiris database”\(^2\), which provide the financial, social, and environmental information of the organization in the world, including China, and (2) “China Development Brief (CDB)"\(^3\) was founded in 1996 in Kunming, China’s first autonomous civil society forum. CDB provides media and communication services in both English and Chinese to NGOs, foundations, businesses, individuals, and research organizations. Secondly, we sort out the information of required social enterprises which are following the dual mission like the economic and social mission. Afterwards, to ensure the credibility, completeness, and originality of the true spirit of the questions and answers, we developed the research questionnaire in two languages, English and Chinese, with the help of a native professor because some of the social enterprises in China are overseas and the remaining are Chinese.

Moreover, social entrepreneurship research has received more attention since it creates collective value and encourages societal change, especially for developing economies. Thus, organizations with both economic and social missions that combine entrepreneurial skills and strategy to achieve their goals for the benefit of society are known as social enterprises. Similarly, in our survey, 60% of social enterprises were registered as a firm, 20% as NGOs, and 14% were not registered. The government has encouraged the growth of social enterprises and has developed a similar strategic plan for social enterprise in China to promote double and triple bottom line missions (e.g., bottom line such as social, financial, and environmental). Over 6 months, from June 2020 to December 2020, we collected data via email from the top management team, including CEOs, through questionnaires because of the COVID-19 pandemic crisis in which social enterprises are also following the government protocols: everyone has to stay at home and do work remotely. We also made calls to encourage them to participate in academic research, which significantly contributed the society through literature and practice. Notably, it was difficult for everyone to cope with social and economic problems where social enterprises’ responsibilities increased compared to the other traditional enterprises because they are trying to simultaneously meet the social and economic fronts.

At last, we targeted the 500 social businesses (those employing 20 to 500 people) in mainland China. We collected 268 valid responses from CEOs and TMT members, and almost 150 of them did not reply, 30 of them already changed their job and organization, 20 of them were out of the station and unable to give a response, and 32 questionnaires that were incomplete are not included in the final results. The overall response rate was 53.6% which was still good for investigating our proposed results. Furthermore, China has been identified as having a unique state and social culture, which impacts how managers create new strategies for enterprises and develop new goals. Table 1 shows that most of the respondents were male, 55.97% and 44.02% were female, 95% were educated, and the majority of the respondents were below 45 years.

### Measurement

We carefully utilized the previously validated constructs with different perspectives to ensure the construct validity. Therefore, we measured moderator TMT using a three-subconstruct construct developed by Buyl et al. (2011) that assessed using the three subconstructs that were previously used to measure TMT behavior (Simsek et al., 2005) and consisted of collective behavior (three

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\(^2\) [https://www.bvdinfo.com/en-gb/our-products/data/international/osiris]

\(^3\) [https://chinadevelopmentbrief.org/reports/the-comprehensive-list-of-overseas-ngos-registered-in-china/]

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items), information exchange (3 items), and joint decision-making (three items) (Cho et al., 1994). Independent variables were the performance-based cultural (PBC) and social supporting cultural (SSC) factors. Following what has been said earlier, the two cultural norms measures are evaluated based on an examination of data gathered and released by House et al. (2004). We evaluated PBC with three items and SSC with four items (Miles et al., 2014). For the dependent variable SEO, we adopted the Kraus et al. (2017) scale, which contains four dimensions: social innovation (three-item), social proactiveness (three-item), and social risk-taking (three-item) and socialness (see Appendix Table 6 for the detailed information of the measures) which has been accessed on the 5-point Likert scale.

### Control variable

We include several control variables in our research: gender, age, type of firm, firm size (Samiee & Walters, 1990), firm age or TMT age (Ali et al., 2014), TMT size (Simons et al., 1999), TMT tenure (Allison, 1978), educational diversity (Simons et al., 1999).

### Measurement model

#### Convergent and discriminant validity

We performed the reliability and validity analysis results using composite reliability (CR), and convergent and discriminant validity (Leguina, 2015) (see in Table 2). We used

| Table 1 Demographic analysis |
|-----------------------------|
| **Category** | **Respondents** | **Frequency** | **Percentage (%)** |
| **Gender** | Male | 150 | 55.97% |
| | Female | 118 | 44.02% |
| **Age** | 15–25 | 21 | 7.84% |
| | 25–35 | 108 | 40.30% |
| | 35–45 | 112 | 41.79% |
| | 45 to more than 55 | 27 | 10.07% |
| **Education** | Under-graduation | 132 | 49.25% |
| | Post-graduation | 103 | 38.44% |
| | PHD | 23 | 8.58% |
| | Other | 10 | 3.73% |
| **Social enterprise/NGO type** | State owned | 15 | 5.60% |
| | Government | 134 | 50% |
| | Private | 107 | 39.93% |
| | Other | 12 | 4.47% |
| **Social enterprise/NGO age** | 1–2 years | 7 | 2.62% |
| | 2–3 years | 13 | 4.85% |
| | 3–4 years | 85 | 31.71% |
| | 4 to more than 5 years | 163 | 60.82% |
| **Social enterprise/NGO size** | Small (number of employees 50–250) | 103 | 38.44% |
| | Medium (number of employees 250–500) | 155 | 57.83% |
| | Large (number of employees more than 500) | 10 | 3.73% |
| **TMT size** | 1–5 members | 55 | 20.53% |
| | 5–10 members | 119 | 44.41% |
| | 10–15 members | 82 | 30.59% |
| | More than 15 members | 12 | 4.47% |
| **Tenure period** | Below than 5 years | 52 | 19.41% |
| | 5–10 years | 116 | 43.29% |
| | 10–15 years | 78 | 29.10% |
| | 15–20 years | 22 | 8.20% |
the AMOS 25 to analyze the basic structure of the model’s variables for all 268 respondents. We used the composite reliability (CR) and average variance obtained (AVE) approach to determine convergent and discriminant validity (see Table 2). Furthermore, all CR > 0.7 and the AVE values are more than the threshold of 0.5 (Byrne, 2013; Leguina, 2015). Therefore, there is no convergent validity concern because convergent and discriminant validity is statistically valid.

Moreover, in Table 3, the Heterotrait and Monotrait (HTMT) ratio of correction technique is also used to test discriminant validity (Henseler et al., 2015). Results have shown that the discriminant values do not exceed the HTMT (Kline, 2015) threshold value and indicate no multicollinearity between the construct items.

### Valuation of model fit

For evaluation of model fit, we used two software, AMOS 25, for checking CFI, RMSEA, and Smartpls for SRMR. The statistical model of fitness results is excellent (see Table 4) to test our primary relationships.

### Assessment of structural model

The structural model describes the relationships between the model’s constructs. The significance of the path coefficient is estimated using the bootstrapping approach with a re-sampling of 5000 (Leguina, 2015). Specifically, the path coefficients for the China dataset are shown in Table 5. From the social enterprises in China’s perspective, H1 indicates that PBC is positively associated with SE performance. H1 was accepted ($\beta=0.581; p<0.000$). Moreover, H2 indicates that SSC is positively associated with SE performance. H2 was accepted ($\beta=0.384; p<0.000$). Therefore, hypothesis 3 indicates that TMT involvement positively moderates the relationship between PBC and SEO (see Fig. 2). Hypothesis 3 was accepted ($\beta=0.165; p<0.045$). Furthermore, hypothesis 4 indicates that TMT involvement negatively moderates the relationship between SSC and SEO (see Fig. 2). Hypothesis 4 was accepted ($\beta=-0.046; p<0.020$). Thus, we found that hypothesis 5 indicates that SEO’s direct effect does not mediate the relationship between PBC and SE performance. Hypothesis 5 was rejected. However, hypothesis 6 indicates that SEO’s direct effect negatively mediates the relationship between SSC and SE performance. Hypothesis 6 was accepted.

An $R^2$ value of more than 0.2 is considered acceptable in behavioral research. In this study, $R^2$ values for SE performance are 0.785, 0.801, and 0.785, respectively; adjusted $R^2$ values for SE performance are 0.784, 0.799, and 0.784, which are good. Furthermore, another re-use approach was to adapt the blindfolding procedure (Mikalef & Pateli, 2017) to assess the importance of exogenous constructs and the proposed model performance. Blindfolding is a strategy that combines function fitting and cross-validation to assess the predictive validity of each construct by evaluating criteria estimations $Q^2$ (Hair et al., 2012). $Q^2>0$ indicates that the model is valid. The result has shown that $Q^2$ values for SE performance are 0.748, 0.759, and 0.748. Hence, this study has shown that all results are quite acceptable.

### Discussion and conclusion

The study’s main contribution is the advancement and testing of the proposed model that demonstrates (1) the significant impact of performance-based cultural (PBC) and social...
Table 5  Path coefficient outcomes

| Constructs                        | Model 1 | Model2 | Model3 | Model4 | Model5 | Mediation outcome |
|-----------------------------------|---------|--------|--------|--------|--------|-------------------|
|                                   | Β       | Β      | β      | B      | B      |                   |
| **Control effect**                |         |        |        |        |        |                   |
| Age→ SE performance               | −0.298**|        |        |        |        |                   |
| Education→ SE performance         | −0.046  |        |        |        |        |                   |
| Firm type→ SE performance         | 0.06    |        |        |        |        |                   |
| Gender→ SE performance            | −0.058  |        |        |        |        |                   |
| SE age→ SE performance            | 0.143   |        |        |        |        |                   |
| SE size→ SE performance           | 0.247   |        |        |        |        |                   |
| TMT size→ SE performance          | −0.07   |        |        |        |        |                   |
| **Main effect**                   |         |        |        |        |        |                   |
| PBC→ SE performance               | 0.581***|        |        |        |        |                   |
| SSC→ SE performance               | 0.384***|        |        |        |        |                   |
| **Mediation effect (SEO)**        |         |        |        |        |        |                   |
| PBC→ SE performance               |         | 0.555***|        |        |        |                   |
| SSC→ SE performance               |         | 0.398***|        |        |        |                   |
| SEO→ SE performance               |         | 0.126***|        |        |        |                   |
| SSC→ SEO                          | −0.110  |        |        |        |        |                   |
| PBC→ SEO                          | 0.210   |        |        |        |        |                   |
| PBC→ SEO→ SE performance          | 0.026   |        |        |        | No mediation     |
| SSC→ SEO→ SE performance          | −0.014  |        |        |        | No mediation     |
| **Moderation effect (TMT)**       |         |        |        |        |        |                   |
| PBC→ SEO                          |         | 0.043  |        |        |        |                   |
| SSC→ SEO                          | −0.113* |        |        |        |        |                   |
| TMT→ SEO                          | −0.259* |        |        |        |        |                   |
| TMT*PBC→ SEO                      | 0.165*  |        |        |        |        |                   |
| MT*SSC→ SEO                       | −0.046* |        |        |        |        |                   |
| **Moderation and mediation effect**|         |        |        |        |        |                   |
| PBC→ SE performance               |         | 0.561***|        |        |        |                   |
| SSC→ SE performance               |         | 0.384***|        |        |        |                   |
| SEO→ SE performance               |         | 0.126***|        |        |        |                   |
| TMT→ SE performance               | −0.033**|        |        |        |        |                   |
| PBC→ SEO                          | 0.043   |        |        |        |        |                   |
| SSC→ SEO                          | −0.113**|        |        |        |        |                   |
| TMT→ SEO                          | −0.259**|        |        |        |        |                   |
| TMT→ SEO→ SE performance          | −0.033**|        |        |        |        |                   |
| BC→ SEO→ SE performance           | 0.005   |        |        |        | No mediation     |
| SSC→ SEO→ SE performance          | −0.014**|        |        |        | Partial mediation|
| TMT*PBC→ SEO→ SE performance      | 0.021   |        |        |        |                   |
| TMT*SSC→ SEO→ SE performance      | −0.006  |        |        |        |                   |
| R² (SE performance)               | 0.785   | 0.801  | 0.785  |        |        |                   |
| Adjusted R² (SE performance)      | 0.784   | 0.799  | 0.784  |        |        |                   |
| Q² (SE performance)               | 0.748   | 0.759  | 0.748  |        |        |                   |
| R² (SEO)                          | 0.025   | 0.056  | 0.058  |        |        |                   |
| Adjusted R² (SEO)                 | 0.018   | 0.038  | 0.048  |        |        |                   |
| Q² (SEO)                          | 0.016   | 0.018  | 0.020  |        |        |                   |

*p<0.050, **p<0.010, ***p<0.001
supportive cultural (SSC) on SE performance in the presence of TMT involvement. As a result of the association between TMT involvement in performance-based culture (PBC) and socially supportive culture (SSC), social entrepreneurial orientation (SEO) positively impacts SE performance in China.

This research explained the relation of TMT in social enterprises with different cultural contexts, including the social concept, which influences enterprises’ growth. Furthermore, the study examines EO as an integrated variable that directly or indirectly influences the structural model. Our findings show that firm performance and individual satisfaction are critical indicators for describing and understanding the relationship between PBC, SSC, and SE performance. Moreover, research has shown that TMT involvement helps evaluate the performance of the social enterprise (Stephan & Uhlanaer, 2010). Research about the performance of social enterprises has recognized the vital role of top management team (TMT) involvement (Liu et al., 2014; Qiao et al., 2020). This research is based on relevant literature regarding TMT involvement influencing PBC and SSC. One of the essential aspects of firm success is understanding and addressing customers’ demands because the TMT sets the firm’s objectives and directs the development of new strategies that impact performance (Liu et al., 2014; Sciascia et al., 2013). We focus on the entrepreneurial orientation to generate advanced customer significance of the capability of its understanding of its environment and maintain the benefit of society and improve profitability. Research has shown that enterprises must advance the continual improvement of their firm, such as providing high service value to their customers, satisfying employees, providing new working environments, generating resources for better innovation, and operating to enhance SE performance (Wang et al., 2021).

The main findings revealed that TMT behavior supports the development of a social entrepreneurial oriented culture, which impacts SE performance (Harmancioglu et al., 2010; Sciascia et al., 2013). Specifically, as the advanced system, individuals, and organizations that supported and influenced cultural creation developed over time, the objectives are driven by TMT that help the ideas of personality to understand and supportive environment for cultural development (Talke et al., 2011). The findings regarding the SE performance revealed in a different form, in particular, PBC, SSC, and SEO in influencing SE performance. We found empirical support for the model: PBC is positively associated with SE performance (significantly $H_1$), SSC is positively associated with SE performance ($H_2$). TMT involvement is positively moderating the relationship between PBC and SEO ($H_3$). TMT involvement is negatively moderating the relationship between SSC and SEO ($H_4$). SEO is not mediating the relationship between PBC and SE performance ($H_5$). Specifically, our findings are exciting and unique in line with Morris et al. (2011) and Shoham et al. (2006) that entrepreneurial orientation directly impacts SE performance. These findings support the previous literature regarding entrepreneurial orientation in social enterprise as a positive or indirect influence on SE performance.

Moreover, EO has been considered in the field of social enterprise to provide evidence that it may act as an intermediary role between performance-based culture (PBC) and supportive social culture (SSC) (Stephan &
Uhlmaner, 2010). Analyzing potential mediators has better understood the relationship between TMT behaviors and performance. This study suggests that TMT behavior supports the development of a social entrepreneurial orientated culture, which impacts performance. One of the most researched relationships in management is the impact of top managers on firm performance. This study describes that members of the TMT make strategic decisions based on their cognitive biases (Hambrick & Mason, 1984), values, and perceptions and that this affects the firm’s strategic orientation.

Furthermore, TMT provides objectives and ideas recognized in entrepreneurial firms, creates social rules, and helps employees understand their society and culture better. Our research has aimed to examine some of these interactions, mainly newly explored intermediate relationships between culture and the level of entrepreneurial orientations. This study gives knowledge and contributions to both entrepreneurs, including conventional and social entrepreneurs and social researchers. Furthermore, culture represents the common individual value choices in a society that represent the significant focus of their shared preferences that improve the SE performance. According to the findings, cultural aspects such as performance-based culture and supportive social culture are two of the most important and commonly addressed social entrepreneurial orientations, leading to increased SE performance. In a particular culture, PBC helps improve the quality of (potential) enterprises, and SSC assists in increasing growth. More specifically, we believe that societies with a PBC and SSC will significantly impact social enterprise and provide an idea of person-culture fit or match because the enterprise’s success depends on internal staff, including CEO and TMTs.

**Practical contribution**

First, this study indicates that it is essential to understand the nature and scope of various entrepreneurial concepts and the understanding of cultural contexts, especially in the Chinese cultural context. The ability to use both PBC and SSC simultaneously and utilize them to specific perspectives of the entrepreneurial process and understanding situational factors that support the impact of each functional behavioral logic are chances to increase entrepreneurial success. Furthermore, elements of a socially supportive culture are particularly prominent; it will provide new logic emphasizing partnerships, which will be more by societal values and enhance performance. Second, this study gives policymakers insight into the importance of cultural elements for new business development and success for policymakers involved in supporting the development of young firms and startups. Those policymakers who want to support highly effective entrepreneurial activity must be aware that public policy is developed within a socio-cultural context and that culture indicates how entrepreneurs make decisions. As a result, they can influence the culture’s performance-based or socially supportive level through legal, financial, and social funding measures. However, our research attempted to address policymakers making strategic decisions based on their cognitive biases, values, and perceptions, which affect the firm’s strategic orientation. Moreover, in many concepts of entrepreneurial orientation, employees require entrepreneurial motivation to enhance SE performance. While enterprises with an SSC have a high level of understanding and a low level of authority, such enterprises have high SSC that create a positive social environment where employees support each other.

**Limitations and future direction**

First, this study expands the existing literature related to TMT involvement in making essential decision processes, and we show a new theoretical dimension for the involvement of TMT in the creation and success of SE performance. This study will help in future explanations for the mixed findings. TMT decision-making or TMT behavior may create the actual processes rather than TMT qualities that impact SE performance. Second, this study will open a new idea that Chinese culture captures the individual value preferences in society, which indicates the primary focus of their mutual socializing that increases SE performance. The findings contribute new views on the culture and performance of entrepreneurial firms, primarily when assessed from a cross-cultural point of view. Third, entrepreneurial orientation will support great social and commercial success in SE. It implies that TMT must start paying more attention to business influences, change their strategies to meet customer needs, find new ways to improve their existing services, or develop new planning before their potential competitor’s notice. Fourth, future studies might investigate the influence of various types of cultural constructs on SEO. Fifth, the dataset is restricted to Chinese social enterprises. Future scholars will consider more generic data from different data sources with varying ethnicities.
## Appendix 1

**Table 6** Assessment of measurement model on loading factors

| Items                                                      | Loading | Cronbach’s alpha |
|------------------------------------------------------------|---------|------------------|
| Top management team (TMTE) (Buyl et al., 2011)             |         | 0.951            |
| TMTE1                                                      | 0.881   |                  |
| TMTE2                                                      | Removed |                  |
| TMTE3                                                      | 0.835   |                  |
| Information exchange (IE)                                  |         | 0.831            |
| IE1                                                        | 0.831   |                  |
| IE2                                                        | 0.839   |                  |
| IE3                                                        | 0.800   |                  |
| Joint decision-making (JDM)                                |         | 0.848            |
| JDM1                                                       | 0.848   |                  |
| JDM2                                                       | 0.799   |                  |
| JDM3                                                       | 0.794   |                  |
| Performance-based cultural (PBCU) (House et al., 2004)     |         | 0.855            |
| PBCU1                                                      | 0.790   |                  |
| PBCU2                                                      | 0.818   |                  |
| PBCU3                                                      | 0.833   |                  |
| Social supportive cultural (SSCU) (House et al., 2004)     |         | 0.869            |
| SCCU1                                                      | 0.785   |                  |
| SCCU2                                                      | 0.789   |                  |
| SCCU3                                                      | 0.816   |                  |
| SCCU4                                                      | 0.799   |                  |
| Social entrepreneurial orientation (SEO) (Kraus et al., 2017)|         | 0.960            |
| Social innovativeness (SIN)                                |         |                  |
| SIN1                                                       | 0.819   |                  |
| SIN2                                                       | 0.802   |                  |
| SIN3                                                       | 0.802   |                  |
| SIN4                                                       | 0.813   |                  |
| Social proactiveness (SPR)                                 |         |                  |
| SPR1                                                       | 0.851   |                  |
| SPR2                                                       | Removed |                  |
| Social risk-taking (SRT)                                  |         |                  |
| SRT1                                                       | 0.832   |                  |
| SRT2                                                       | 0.821   |                  |
| SRT3                                                       | 0.818   |                  |
| Socialness (SO)                                            |         |                  |
| SO1                                                        | 0.817   |                  |
| SO2                                                        | 0.802   |                  |
| SO3                                                        | 0.815   |                  |
| Social enterprise performance (SEP) (Miles et al., 2014)    |         | 0.873            |
| SEP1                                                       | 0.811   |                  |
| SEP2                                                       | 0.770   |                  |
| SEP3                                                       | 0.778   |                  |
| SEP4                                                       | 0.819   |                  |
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Data availability Data and materials will be provided on demand.

Code availability Not applicable.

Declarations

Conflict of interest The authors declare no competing interests.

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