



Drivers of Sustainability: Social Entrepreneurship as a Catalyst for Sustainable Enterprise Growth

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ABSTRACT

Social entrepreneurship integrates economic viability with social and environmental value creation, yet sustainable growth depends on how organizations preserve mission integrity while scaling. This study examines the organizational and ecosystem drivers that enable social enterprises to achieve sustainable enterprise growth, with particular attention to the Philippine context. Using an integrative qualitative literature review and secondary case synthesis, the study analyzes peer-reviewed scholarship, policy documents, institutional reports, and selected Philippine social enterprise cases. The synthesis identifies seven interdependent drivers: mission-driven innovation, hybrid business models and governance, stakeholder engagement and community embeddedness, impact measurement, access to finance and impact investing, ecosystem support, and technology-enabled scaling. These drivers operate through legitimacy, resource mobilization, organizational learning, innovation capability, and replicability. Findings indicate that sustainable scaling emerges from complementary capabilities rather than any single driver, while weak governance can generate mission drift, impact dilution, and stakeholder exclusion. The study contributes an integrated management framework linking drivers, mechanisms, outcomes, and risks, and offers practical guidance for entrepreneurs, investors, policymakers, universities, and support organizations pursuing inclusive and resilient sustainable development.

Keywords: social entrepreneurship, sustainable enterprise growth, hybrid organizations, stakeholder engagement, Philippines



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INTRODUCTION

Business strategy is increasingly evaluated not only by its capacity to generate financial returns but also by its contribution to social inclusion, environmental stewardship, and long-term resilience. Consumers, employees, investors, regulators, and communities now exert pressure on enterprises to demonstrate credible social and environmental performance, while sustainability and environmental, social, and

governance (ESG) considerations influence capital allocation, legitimacy, and competitive positioning (Barman, 2021; Rawhouser et al., 2020; Schaltegger et al., 2021). This shift challenges the assumption that social value creation is peripheral to enterprise strategy. Instead, social and environmental purpose is becoming embedded in business-model design, supply chains, innovation, financing, and stakeholder management.

Within this transformation, social entrepreneurship offers a distinctive organizational logic. Rather than treating social responsibility as an activity added after profit generation, social enterprises integrate a social or environmental mission into the mechanism through which value is created, delivered, and captured. Classic scholarship therefore characterizes social entrepreneurship as the pursuit of sustainable solutions to neglected problems and social enterprises as hybrid organizations that combine commercial and social logics (Mair & Martí, 2006; Santos, 2012; Dacin et al., 2011; Doherty et al., 2014). The strategic promise is significant: mission-driven enterprises may identify underserved markets, mobilize stakeholder commitment, build differentiated brands, and create new forms of value. The strategic difficulty is equally significant because growth can increase exposure to investor demands, market pressures, managerial complexity, and competing institutional logics.

This tension is particularly important in emerging economies. In the Philippines, social entrepreneurship operates in an environment marked by persistent income inequality, geographic fragmentation, climate vulnerability, uneven access to finance, strong community institutions, and a large micro, small, and medium enterprise sector. The Philippine Development Plan 2023–2028 emphasizes inclusive growth, innovation, job creation, poverty reduction, and MSME development, creating a policy environment in which purpose-driven enterprise can contribute to development objectives (NEDA, 2023). At the same time, as of 2026, proposed national legislation specifically recognizing and supporting social enterprises remains under legislative consideration rather than constituting a fully institutionalized national legal regime (Senate of the Philippines, 2025; House of Representatives of the Philippines, 2025). This creates both opportunities and institutional uncertainty for social enterprises seeking to scale.

Existing literature provides substantial insight into individual elements of social enterprise performance, including hybridity, stakeholder relationships, social impact measurement, financing, ecosystems, and digital transformation. However, these streams are often examined separately. A second limitation is that growth is frequently treated as an unequivocally positive outcome even though social venture expansion can generate mission drift, practice drift, stakeholder exclusion, or dilution of impact when governance systems fail to preserve the relationship between economic means and social ends (Battilana & Lee, 2014; Roche & Siebold, 2024; Bruder, 2025). A third limitation concerns contextualization: evidence from mature institutional environments cannot automatically be transferred to emerging economies where regulatory support, financing depth, infrastructure, and community norms differ.

Accordingly, this study investigates social entrepreneurship as a catalyst for sustainable enterprise growth rather than growth in purely financial or scale terms.

Sustainable enterprise growth is defined here as an organization's capacity to expand or deepen economic activity while maintaining mission integrity, measurable social or environmental value, organizational resilience, and stakeholder legitimacy. This definition is deliberately multidimensional because social enterprises can grow commercially while simultaneously weakening their social purpose, or they can increase impact without developing the financial viability needed for organizational continuity.

Three research questions guide the study: (RQ1) What organizational and ecosystem drivers enable sustainable growth in social enterprises? (RQ2) How do Philippine cases illustrate the interaction of these drivers in practice? (RQ3) What boundary conditions and strategic tensions determine whether growth strengthens or weakens sustainability and mission integrity? By answering these questions, the study contributes an integrated framework linking drivers, mechanisms, outcomes, and risks. The framework is intended to advance management scholarship while also providing actionable implications for entrepreneurs, investors, policymakers, universities, and enterprise-support organizations.

LITERATURE REVIEW

Social Entrepreneurship and Sustainable Enterprise Growth

Social entrepreneurship is not defined solely by organizational form. It is better understood as an entrepreneurial process in which social value creation receives explicit strategic priority and market-based activities are used to create, finance, or scale solutions to societal problems (Mair & Martí, 2006; Santos, 2012). This distinction matters because cooperatives, nonprofit ventures with earned income, mission-led SMEs, and for-profit social enterprises may all exhibit elements of social entrepreneurship even when their legal forms differ. The analytical focus should therefore be placed on mission centrality, value-creation logic, governance, stakeholder relationships, and the mechanisms used to sustain the enterprise.

Enterprise growth in this context cannot be reduced to sales, assets, employment, or geographic expansion. For social enterprises, growth is sustainable when commercial viability and social-impact capacity develop in a mutually reinforcing manner. Growth may occur through market penetration, product diversification, franchising, replication, digital platforms, partnerships, licensing, community-based diffusion, or deeper beneficiary reach (Seelos & Mair, 2020; Roche & Siebold, 2024). The relevant management question is therefore not simply whether a social enterprise grows, but how it grows, which stakeholders benefit, what capabilities make growth possible, and whether the social mission remains embedded in organizational routines.

Stakeholder Theory, Institutional Theory, and the Triple Bottom Line

Stakeholder Theory provides a relational explanation of sustainability-oriented growth. It argues that long-term value creation depends on the quality of relationships with multiple stakeholders rather than on shareholder returns alone (Freeman et al., 2020; Harrison & Wicks, 2021; Parmar et al., 2021). Social enterprises operationalize this

principle by treating beneficiaries, employees, suppliers, communities, customers, investors, and the environment as participants in value creation. Stakeholder engagement can improve problem definition, local legitimacy, market acceptance, knowledge access, and resource mobilization. It can also create conflicting claims that require explicit prioritization and governance.

Institutional Theory explains why identical business models can perform differently across environments. Social enterprises depend on legal recognition, cultural legitimacy, public policy, financing norms, professional standards, and taken-for-granted expectations about what constitutes a legitimate enterprise (Scott, 2021). In emerging economies, institutional gaps may constrain access to finance or formal procurement but may also create entrepreneurial opportunities because unmet needs are larger and community-based institutions can substitute for weak formal systems (Kerlin, 2020). The current Philippine policy environment illustrates this duality: broad MSME and inclusive-growth frameworks support enterprise development, while dedicated social-enterprise legislation remains evolving.

The Triple Bottom Line, people, planet, and profit, offers a normative and performance-oriented lens for assessing whether growth is balanced across social, environmental, and economic dimensions (Elkington, 2020; Slaper & Hall, 2021). Its value for social entrepreneurship lies less in treating the three dimensions as independent scorecards and more in examining trade-offs and complementarities. A social enterprise may, for example, reduce waste while lowering material cost, or pay higher supplier prices to strengthen farmer livelihoods at the expense of short-term margins. Sustainable growth requires governance capable of making these trade-offs visible and strategically defensible.

Hybrid Organizing, Governance, and Mission Integrity

Hybrid organizing is central to understanding why social enterprises can be innovative and fragile at the same time. Hybrid organizations combine institutional logics that are not always naturally compatible. Commercial logic emphasizes efficiency, margin, customer demand, scalability, and investor returns, whereas social-welfare logic emphasizes beneficiary needs, inclusion, fairness, and mission achievement (Battilana & Lee, 2014; Doherty et al., 2014; Haigh et al., 2021). This duality creates access to diverse resources but also exposes organizations to internal ambiguity and external pressure.

Governance therefore becomes a growth capability rather than a compliance function. Social enterprises need mechanisms that protect mission in resource-allocation decisions, investor selection, incentive systems, performance measurement, partnerships, and expansion strategy. Recent research on social venture growth emphasizes that scaling can create means–ends tensions: economic growth may be necessary to finance impact, but commercial means can gradually redefine organizational priorities unless leaders continuously align growth choices with stakeholder purpose (Roche & Siebold, 2024). Bruder (2025) similarly shows that drift can occur not only as an explicit change in mission but through gradual changes in practices. The implication is that mission integrity

must be managed through routines, metrics, and decision rights rather than through values statements alone.

A related conceptual clarification concerns organizational forms and certification. A benefit corporation is a legal structure available in jurisdictions that recognize it, whereas Certified B Corp is a private certification administered by B Lab; the two should not be treated as interchangeable (B Lab, n.d.). This distinction is relevant because legal form, certification, and mission governance operate through different mechanisms. Philippine social enterprises may adopt conventional corporate, cooperative, nonprofit, or other structures while pursuing social-enterprise objectives, making internal governance especially important where specific legal recognition remains limited.

Drivers of Sustainability-Oriented Enterprise Growth

Mission-driven Innovation and Market Creation

Mission-driven innovation converts social or environmental problems into opportunities for new products, services, processes, and delivery models. Because social enterprises begin with problems that are frequently underserved by mainstream markets, they often innovate around affordability, accessibility, local materials, circularity, or inclusive participation (Phills et al., 2008; Christensen et al., 2021; Seelos & Mair, 2020). This problem orientation can generate differentiation and new-market creation, including “blue ocean” opportunities where competition is initially limited (Kim & Mauborgne, 2020). In the Philippine context, upcycled fashion, natural personal care, distributed solar solutions, and community-based agriculture illustrate how mission can shape value propositions rather than merely accompany them as corporate communication.

Hybrid Business Models and Governance

A sustainable social enterprise needs a revenue architecture that can support mission delivery over time. Hybrid models combine earned income with grants, donations, public support, impact capital, or cross-subsidization, allowing organizations to serve beneficiaries whose ability to pay may differ from the full cost of provision (Battilana et al., 2020; Haigh et al., 2021). Diversified revenue can reduce dependence on a single source, but it also increases governance complexity because funders, customers, beneficiaries, and investors may define success differently. Effective hybrid governance therefore requires mission-locked decision criteria, transparent trade-offs, role clarity, and performance systems that track both financial and non-financial outcomes.

Stakeholder Engagement and Community Embeddedness

Community embeddedness provides information, trust, cultural legitimacy, and access to local networks. Social enterprises that co-create with beneficiaries can identify tacit needs that are invisible in conventional market research and can design solutions that fit local practices (Dacin et al., 2011; Mair & Martí, 2006). In the Philippines, cooperatives, barangay networks, faith-based organizations, community associations, and bayanihan traditions can serve as relational infrastructure. Social capital reduces some

transaction costs and improves resilience, but embeddedness also requires attention to inclusion: close relationships with established community actors should not silence marginal groups or create dependence on a small number of gatekeepers (Putnam, 2020; Adger, 2021).

Impact Measurement and Performance Management

Impact measurement converts mission from an aspiration into a management object. Investors and partners increasingly expect evidence that social or environmental outcomes are attributable, material, and sustained. Frameworks such as Social Return on Investment, IRIS+, and the B Impact Assessment provide different ways to organize evidence, although no single system eliminates attribution problems, long causal chains, data burden, or the risk of measuring what is easy rather than what is important (Nicholls, 2020; Ebrahim & Rangan, 2020; Epstein & Yuthas, 2021; Rawhouser et al., 2020). For management purposes, the most useful systems connect impact indicators to operational decisions rather than treating reporting as a post hoc communication exercise.

Access to Finance and Impact Investing

Growth requires capital aligned with the venture's time horizon, risk profile, and mission. Social enterprises may use retained earnings, grants, crowdfunding, microfinance, blended finance, debt, equity, or impact investment (Bugg-Levine & Emerson, 2021; OECD, 2022; Lehner, 2020). Access alone is insufficient. Capital can accelerate growth but may also increase pressure for rapid financial returns, standardized metrics, or expansion into more profitable customer segments. Investor–mission fit is therefore a governance issue. The relevant financing question is not only “how much capital is available?” but “what expectations, control rights, and growth assumptions come with that capital?”

Ecosystem Support and Institutional Enabling Conditions

Entrepreneurial ecosystems influence whether social ventures can access skills, markets, mentors, infrastructure, finance, policy support, and legitimacy (Bloom & Dees, 2020; Roundy, 2020; Thompson et al., 2021). Incubators, universities, government agencies, corporate partners, industry associations, and development organizations can lower capability barriers that a single enterprise cannot solve alone. In the Philippines, MSME programs, Negosyo Centers, higher-education entrepreneurship programs, and development networks create relevant support, while the continuing legislative debate over dedicated social-enterprise recognition indicates that the institutional environment is still developing (NEDA, 2023; DTI, 2022; Senate of the Philippines, 2025).

Technology-enabled Scaling and Digital Transformation

Digital technology can expand reach, lower coordination cost, strengthen transparency, and enable new financing or service-delivery models. E-commerce, mobile payments, digital platforms, artificial intelligence, and data systems can connect social

enterprises with customers and beneficiaries beyond local markets (Qureshi et al., 2021; Schroeder, 2021). The Philippines' high level of social-media and mobile use makes digital channels particularly important for market access and community engagement (We Are Social & Meltwater, 2024). However, technology should be treated as an enabling capability rather than as a growth outcome in itself. Digital scaling can exclude users with limited connectivity, reduce relational depth, create cybersecurity and privacy risks, and amplify weak business processes if organizational capacity does not mature alongside technology.

RESEARCH METHOD

This study uses an integrative qualitative literature review combined with secondary case synthesis. The approach is appropriate because the research questions span conceptual, organizational, financial, institutional, and technological literatures and seek to develop an explanatory framework rather than estimate a pooled effect size. The design also allows seminal theoretical works to be combined with recent empirical and policy sources while maintaining a specific focus on the Philippine context.

The source corpus comprises peer-reviewed journal articles, scholarly books, policy documents, institutional reports, organizational case materials, and Philippine-focused studies. The review prioritized materials published between 2020 and 2026 from Scopus, Web of Science, Google Scholar, Philippine E-Journals, and social-enterprise repositories. Earlier seminal works were retained where necessary for theoretical accuracy, particularly for social entrepreneurship, stakeholder theory, hybridity, social innovation, and digital development. Recent sources were included selectively to strengthen the analysis of sustainable scaling, mission drift, legal status, and Philippine policy.

Sources were purposively selected using four criteria: direct relevance to social entrepreneurship or sustainable enterprise growth; conceptual or empirical contribution to one or more growth drivers; credibility of the publication or institutional source; and usefulness for interpreting emerging-economy or Philippine conditions. Corporate and organizational websites were used only for descriptive case verification and not as substitutes for peer-reviewed evidence on causal relationships. Where secondary evidence could not substantiate a precise growth statistic or causal claim, the analysis was framed as illustrative rather than definitive.

Analysis proceeded through iterative coding, thematic comparison, and cross-case synthesis. The coding categories were consolidated into seven drivers: mission-driven innovation; hybrid business models and governance; stakeholder engagement and community embeddedness; impact measurement and performance management; access to finance and impact investing; ecosystem support; and technology-enabled scaling. The analysis then examined the mechanisms through which these drivers influence sustainable enterprise growth, their manifestation across Philippine cases, and the boundary conditions that can weaken their effects. This process produced a cross-case matrix and an integrative conceptual framework.

The study is interpretive rather than exhaustive. It does not claim the statistical representativeness of a meta-analysis or the procedural exhaustiveness of a PRISMA-style systematic review. Its contribution lies in conceptual integration, contextual interpretation, and theory-informed comparison across heterogeneous legal forms, sectors, countries, and impact models.

RESULTS AND DISCUSSION

An Integrated View of Sustainability Drivers

The synthesis indicates that sustainable social-enterprise growth is best understood as a configuration rather than as the effect of a single variable. The seven drivers reinforce one another through five underlying mechanisms. Mission-driven innovation creates problem-solution fit and differentiation. Stakeholder engagement generates relational legitimacy and contextual knowledge. Hybrid business models and appropriate finance mobilize resources. Impact measurement creates accountability and organizational learning. Ecosystem support and technology increase access, coordination, and replicability. Governance connects these mechanisms by determining whether growth decisions remain consistent with mission.

This configuration explains why apparently similar social enterprises can experience different outcomes. An enterprise with a compelling mission but weak revenue architecture may achieve local impact without organizational continuity. A well-financed enterprise with weak community legitimacy may expand quickly but experience beneficiary resistance or reputational risk. A digitally sophisticated enterprise with weak governance may scale transactions faster than it can manage quality or impact. Sustainable growth therefore depends on complementarity among capabilities rather than the isolated presence of “best practices.” Table 1 summarizes the seven drivers, their mechanisms, growth contributions, associated risks, and corresponding managerial questions.

Table 1. Integrative Synthesis of Sustainability Drivers and Their Managerial Logic

Driver	Primary Mechanism	Growth Contribution	Main Risk If Weak	Indicative Management Question
Mission-driven innovation	Problem-solution fit and differentiation	New markets, value proposition, customer relevance	Mission rhetoric without viable demand	Does the innovation solve a material problem for a clearly defined stakeholder?
Hybrid model and governance	Resource orchestration and mission protection	Revenue resilience and strategic flexibility	Mission drift or conflicting logics	Which decisions are mission-critical and how are they protected?

Driver	Primary Mechanism	Growth Contribution	Main Risk If Weak	Indicative Management Question
Stakeholder/community embeddedness	Trust, knowledge, and legitimacy	Adoption, resilience, lower coordination friction	Exclusion, local capture, dependence	Who participates in design and who may be left out?
Impact measurement	Accountability and learning	Credibility, better allocation, investor confidence	Metric overload or symbolic reporting	Which indicators change actual managerial decisions?
Finance/impact investment	Capital access and time-horizon alignment	Capacity expansion and investment in systems	Investor pressure and premature scaling	Are capital expectations compatible with mission and operating reality?
Ecosystem support	Access to complementary resources	Capability building, partnerships, policy access	Dependency on intermediaries	Which ecosystem gaps cannot be solved internally?
Technology-enabled scaling	Replicability and coordination efficiency	Wider reach, lower marginal coordination cost	Digital exclusion, privacy, process amplification	What must be standardized and what must remain locally adaptive?

Source: Authors' synthesis, 2026

Philippine Case Synthesis

The Philippine cases provide useful illustrations of different driver configurations. They should be interpreted as secondary cases rather than as a statistically representative sample of the Philippine social-enterprise population. Their analytical value lies in showing how mission, business model, community relationships, technology, and ecosystem support combine differently across sectors. Table 2 compares the dominant drivers, scaling logic, strategic contribution, and primary caution across the illustrative cases.

Rags2Riches (R2R) illustrates mission-driven innovation, community embeddedness, and circular design. The enterprise was established around the objective of expanding livelihood opportunities for Filipino artisans and has continued to integrate artisan production, locally sourced materials, indigenous weaves, and upcycled or overstocked fabric into its value proposition (Rags2Riches, 2023; Rags2Riches, n.d.). From a management perspective, the important mechanism is not simply “upcycling” but the conversion of social and environmental commitments into product design, supplier relationships, brand meaning, and market differentiation. The case therefore supports the

proposition that mission can become a capability when it is embedded in operating architecture.

Human Nature demonstrates how a purpose-led brand can connect stakeholder commitments to a multi-channel commercial model. Its pro-Philippines, pro-poor, and pro-environment positioning is reflected in local sourcing, employment practices, environmental initiatives, and market communication (Human Nature, 2024; Human Nature Philippines, n.d.). The case illustrates the strategic value of consistency between stated purpose and organizational practice. It also shows that social value can coexist with conventional retail, e-commerce, and direct-selling channels when mission is incorporated into the brand and supply-chain proposition rather than treated as a separate philanthropic program.

Cropital is used as an illustration of technology-enabled intermediation between smallholder agriculture and alternative finance (Cropital, 2023; DTI, 2022). Its model demonstrates the conceptual potential of digital platforms to connect dispersed farmers with funders and to make agricultural financing more visible to retail participants. However, the case should not be used to infer current scale or operational performance without independently verifiable recent evidence. Analytically, the case is most useful for showing that digital access to finance must be accompanied by risk management, transparent reporting, repayment governance, and stakeholder communication. Technology can expand reach, but it does not eliminate the underlying volatility of agricultural production or credit risk.

Liter of Light illustrates replicability through open, community-centered technology. The organization trains families, cooperatives, volunteers, and local partners to build and maintain solar lighting solutions using accessible materials and local production. Its current institutional description reports activity across more than 30 countries and emphasizes skills transfer, green jobs, and community empowerment (Liter of Light, 2023; Liter of Light, n.d.). The strategic mechanism is decentralized capability building: instead of scaling only through centralized production, the model transfers know-how so that impact can be reproduced locally.

Green Antz Builders represents a circular-economy pathway in which waste is reframed as an input for construction materials (Green Antz Builders, 2023). The case illustrates how environmental value creation can be linked to local-government partnerships, waste-management systems, and infrastructure demand. Its relevance to sustainable enterprise growth lies in the alignment between material innovation, policy objectives, and stakeholder collaboration. As with other cases, precise claims regarding cumulative tonnage, geographic reach, or project counts require direct source verification before being presented as audited performance data.

Bayani Brew illustrates culturally embedded branding and inclusive sourcing. By using Filipino ingredients and sourcing relationships with local producers, the enterprise links product differentiation with heritage and community narratives (Bayani Brew, 2023; Bautista & Cruz, 2023). The case suggests that cultural authenticity can operate as a strategic resource when it is supported by credible sourcing relationships and product

quality. The management implication is that heritage-based differentiation is strongest when beneficiaries are part of the value chain rather than merely part of marketing communication.

Social entrepreneurship education in Philippine universities is best interpreted as an ecosystem case rather than as a social enterprise itself. Programs that expose students to venture creation, mentoring, incubation, and community problems can enlarge the pipeline of mission-driven entrepreneurs and strengthen the absorptive capacity of the wider ecosystem (CHED, 2021; Llanto, 2022). University-based support can also connect research, talent, industry, and public institutions. This is particularly important in emerging ecosystems where specialized social-enterprise intermediaries remain unevenly distributed.

Table 2. Cross-Case Interpretation of Philippine Social Entrepreneurship Examples

Illustrative case	Dominant drivers	Scaling logic	Strategic contribution	Primary caution
Rags2Riches	Mission innovation; community embeddedness; circularity	Design-led market expansion with artisan integration	Differentiation and livelihood value	Avoid reducing artisan participation to brand symbolism
Human Nature	Purpose-led brand; stakeholder management; hybrid channels	Retail, direct selling, e-commerce, local sourcing	Brand legitimacy and market reach	Maintain consistency as scale increases
Cropital	Digital technology; alternative finance	Platform intermediation	Access to finance and agricultural visibility	Credit risk, transparency, and current-operating-status verification
Liter of Light	Frugal innovation; community capability; ecosystem partnerships	Replication through training and local production	Low-cost diffusion and green skills	Quality control across decentralized replication
Green Antz Builders	Circular innovation; policy alignment; partnerships	Waste-to-material value chain	Environmental impact plus infrastructure relevance	Need verified impact and life-cycle metrics
Bayani Brew	Cultural branding; inclusive sourcing	Heritage-based differentiation	Local identity and supplier inclusion	Authenticity must be backed by value-chain practice

Illustrative case	Dominant drivers	Scaling logic	Strategic contribution	Primary caution
University ecosystem	Education; incubation; mentoring	Capability pipeline	Human capital and venture formation	Training quality and post-program venture survival

Source: Authors' synthesis, 2026

From Drivers to Sustainable Scaling: An Integrative Framework

The cross-case analysis supports a four-stage framework. First, a social enterprise identifies a material societal problem and translates it into a mission-linked value proposition. Second, it assembles a business model and stakeholder architecture capable of delivering that proposition. Third, it mobilizes finance, ecosystem resources, measurement systems, and technology to expand or deepen delivery. Fourth, it uses governance and feedback to protect mission integrity as scale changes the organization. This sequence is not strictly linear; social enterprises frequently return to earlier stages as new stakeholders, markets, or institutional constraints emerge.

The framework also distinguishes drivers from mechanisms and outcomes. Drivers are organizational or ecosystem conditions such as financing, technology, or community embeddedness. Mechanisms explain how these conditions produce effects, including legitimacy, innovation capability, resource mobilization, learning, and replicability. Outcomes are multidimensional: commercial viability, impact reach or depth, organizational resilience, and stakeholder legitimacy. This distinction avoids the common analytical problem of treating a resource, such as technology or finance, as if it were itself evidence of sustainable growth.

A central proposition of the framework is complementarity. Mission-driven innovation is more likely to support durable growth when stakeholder engagement improves problem definition, financing is compatible with the mission, impact measurement supplies feedback, and governance prevents economic goals from displacing social purpose. Ecosystem support and technology can amplify this configuration, but their effect is contingent on organizational capabilities. This is consistent with hybrid-organizing research showing that social enterprises must continuously manage competing logics rather than assuming that social and commercial objectives will automatically converge (Battilana & Lee, 2014; Doherty et al., 2014).

Boundary Conditions: Why Growth Does Not Always Produce Sustainability

The first boundary condition is mission drift. As ventures grow, they may prioritize customers who are easier to serve, products with higher margins, investors with stronger return expectations, or standardized operating routines that exclude high-need beneficiaries. Mission drift may be explicit, but it can also occur through incremental practice changes that appear operationally rational in isolation (Bruder, 2025). Governance systems should therefore monitor not only mission statements but also beneficiary mix, resource allocation, pricing, supplier policies, and incentive structures.

The second boundary condition is measurement capacity. Impact measurement improves accountability only when indicators are credible, decision-relevant, and proportionate to organizational capacity. Excessive measurement can divert scarce resources, while weak measurement encourages symbolic claims. Social enterprises need a hierarchy of metrics linking outputs, outcomes, and financially material operating indicators, with explicit recognition of attribution limits (Barman, 2021; Rawhouser *et al.*, 2020).

The third boundary condition is institutional and financing fit. A venture operating in a weak ecosystem may need to perform functions normally supplied by banks, training institutions, logistics systems, or government. This raises cost and slows scale. Conversely, abundant funding can encourage premature expansion before operational routines are stable. The fourth condition is digital readiness. Digital channels can expand market access and reduce coordination cost, but they can also create exclusion where target stakeholders have limited devices, connectivity, literacy, or trust. Sustainable scaling therefore requires selective standardization: some processes should be digitized and replicated, while others should remain relational and locally adaptive.

Theoretical Contributions

The study makes three theoretical contributions. First, it reframes enterprise growth as sustainable scaling, a multidimensional outcome that incorporates financial viability, impact integrity, resilience, and legitimacy. This addresses the inadequacy of treating sales, geographic reach, or capital raised as sufficient indicators of success for hybrid organizations.

Second, it integrates seven drivers within a mechanism-based framework. Prior research frequently examines finance, impact measurement, ecosystems, technology, or community embeddedness in separate streams. The framework shows that these drivers influence growth through recurring mechanisms, legitimacy, innovation, resource mobilization, organizational learning, and replicability, and that governance determines whether these mechanisms remain aligned with mission.

Third, the study positions mission drift as an endogenous risk of growth rather than as an exceptional failure. Growth changes stakeholder composition, resource dependence, managerial systems, and decision speed. Sustainable social entrepreneurship therefore requires continuous governance of the relationship between economic means and social ends. This view is consistent with recent social venture growth research and extends it into an emerging-economy context (Roche & Siebold, 2024; Bruder, 2025).

Managerial and Policy Implications

For social entrepreneurs, the primary implication is to design growth around a small set of mission-critical operating rules. These may include beneficiary eligibility, minimum supplier standards, living-wage commitments, environmental thresholds, reinvestment policies, or impact targets. Such rules make mission actionable when

commercial pressure increases. Entrepreneurs should also distinguish between activities that create impact and activities that merely communicate impact.

For investors, due diligence should assess not only financial projections and impact narratives but also governance quality, stakeholder participation, measurement architecture, and the compatibility between capital expectations and the venture's operating model. Patient capital may be more appropriate where social outcomes require long time horizons. Financing instruments should reflect cash-flow reality rather than imposing standardized venture-capital growth expectations on organizations whose value creation depends on community relationships or gradual capacity building.

For policymakers, social enterprise development should be linked to the wider MSME ecosystem while recognizing the distinctive governance and impact characteristics of hybrid organizations. Potential policy instruments include clearer legal recognition, procurement access, blended-finance facilities, impact-measurement capacity building, tax or incentive design, and support for intermediaries. The presence of social-enterprise bills in the 20th Congress demonstrates continuing policy interest, but institutional support should avoid creating a compliance burden that excludes smaller community-based ventures (Senate of the Philippines, 2025; House of Representatives of the Philippines, 2025).

For universities and enterprise-support organizations, the implication is to move beyond entrepreneurship training focused only on business plans. Social entrepreneurs require competencies in hybrid governance, stakeholder negotiation, impact measurement, financing, digital systems, and ethical scaling. Higher-education research on branding, learner motivation, fundraising, student experience, and culturally appropriate pedagogy can also inform ecosystem design by improving communication, stakeholder development, and capability-building processes (Chapleo, 2020; Chen et al., 2021; Ng & Forbes, 2020; Phuong-Mai et al., 2022; Ryan & Deci, 2000; Sargeant & Shang, 2020; Wilkins & Huisman, 2020).

CONCLUSION

This study shows that social entrepreneurship can catalyze sustainable enterprise growth when social purpose is embedded in the architecture of value creation and supported by seven interdependent drivers: mission-driven innovation, hybrid business models and governance, stakeholder engagement and community embeddedness, impact measurement, access to finance and impact investing, ecosystem support, and technology-enabled scaling. These drivers operate through legitimacy, resource mobilization, innovation capability, organizational learning, and replicability. The Philippine cases indicate that no single driver is sufficient; sustainable scaling depends on complementary capabilities and mission-sensitive governance. The central managerial implication is that growth and mission are neither automatically complementary nor inherently contradictory. Entrepreneurs must align finance, stakeholder relationships, impact metrics, technology, and expansion decisions with mission-critical operating rules, while investors, policymakers, universities, and support organizations should

strengthen the institutional conditions that enable financially viable, socially inclusive, and environmentally responsible growth.

The findings should be interpreted in light of the study's integrative review and secondary case design, which does not estimate causal effect sizes or claim statistical representativeness. The selected cases vary in sector, age, scale, organizational form, and data availability, and organizational reports may contain selective self-reporting. Future research should therefore test the proposed framework through longitudinal and comparative studies, triangulate enterprise claims with independent impact and financial data, examine mission drift across different growth stages, compare institutional conditions across ASEAN economies, and assess how digital technologies and artificial intelligence influence inclusion, governance, and scaling. Developing locally valid indicators of sustainable social-enterprise growth would further strengthen evidence in the Philippine context. Despite these limitations, the framework positions social entrepreneurship as a management logic for creating durable economic value under explicit social and environmental constraints, thereby supporting inclusive and resilient sustainable development.

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Data Availability. This study is based on secondary sources from published academic literature and publicly available documents. The information supporting the findings is available from the sources cited in the article.

Ethical Approval. Ethical approval was not required because this study is an integrative literature review and secondary case synthesis based on publicly available sources and did not involve human participants, animals, personal data, or experimental interventions.

Conflict of Interest. The authors declare that they have no financial or non-financial competing interests that could have influenced the conduct, interpretation, or reporting of this research.

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manuscript. Generative AI was not listed as an author or co-author and was not used to fabricate, falsify, or manipulate research data, results, images, or evidence.

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