

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Social Entrepreneurial Behavior and SMEs' Competitive Advantage: Evidence from Small and Medium-Sized Enterprises in Kenya

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Abstract:

Purpose: The objective of this paper was to examine the effect of social entrepreneurial behavior (SEB) on SMEs' competitive advantage in Kenya.

Design/Methodology/Approach: A survey research design approach was adopted. The study population consisted of all the licensed small and medium-sized enterprises in Nairobi County, Kenya. However, out of the 10,924 small and medium-sized enterprises (SMEs), a sample of 386 was selected based on Yamane's (1967) procedure. The data were collected with the aid of a self-administered questionnaire and analyzed through descriptive and inferential statistics. The hypotheses were tested through the entry regression analysis technique.

Findings: Evidence obtained from the analysis confirmed that social entrepreneurial behavior ($\beta = 0.499$, $p < 0.05$) had a positive and significant effect on competitive advantage.

Research limitations: This study had limitations. First, the study focused only on the aspects of social entrepreneurial behavior linking it to competitive advantage. SEB dimensions such as Entrepreneurial virtue and Judgment capacity may be studied in the future. Second, future studies may examine various methods of measuring social entrepreneurial behavior. Thirdly, the study concentrated on the economy of Kenya, which is a developing country. Thus the result may vary in other economies.

Practical implications: Based on the findings, the study recommends that small and medium-sized enterprises should consider social entrepreneurial behavior to enhance competitive advantage and improve their overall performance.

Originality/Value: The framework builds on the essential themes of competitive advantage and shows their relevance in practice through social entrepreneurial behavior. Thus, the study partly contributes to the inconclusive debate on social entrepreneurial behavior (SEB) and firm competitive advantage nexus by arguing that social entrepreneurial behavior (SEB) has a direct effect which is more important in enhancing an organization's competitive advantage.

Keywords: Social Entrepreneurial Behavior (SEB), competitive advantage, social entrepreneurship

1. Introduction

Small and medium enterprises (SMEs) are regarded as one of the country's most important economic foundations and a significant contributor to the nation's GDP. In emerging economies, SMEs make a significant contribution to the country's economic growth (Arshad & Arshad, 2018, 2019). SMEs are regarded as the industrial sector's core center in most emerging and industrialized nations (Ahmad & Pirzada, 2014; Umar et al., 2018). Small and medium firms account for 90 to 95 percent of businesses globally, and in most countries, they generate 60 to 70 percent of job possibilities (Law & Minai, 2016). In today's challenging business environment, the importance of SMEs cannot be overstated. SMEs are the primary source of new job opportunities (Arshad, Khan, Arshad, Ali, Shahdan, & Ishak, 2020).

In a rapidly changing world where company rivalry is expanding, it is necessary to execute strategic orientation to cope with the situation (Arshad, M. Z., Khan, W. A., Shahdan, A. N., Asrhad, M. H., & Alsaleem, A. A. M. 2020). A company must be able to utilize its internal resources properly to compete successfully in the market and secure long-term growth. Among these internal resources, entrepreneurial social behavior (SBE) is a well-known idea that aids firms in pursuit of economic, social, and environmental goals through entrepreneurial initiatives at the same time and identifying innovative methods to do business in order to fulfill organizational goals in the most efficient way feasible (Covin, Green, & Slevin, 2006). However, Tsoutsoura (2004) claims that social entrepreneurship improves market distinction, customer

comprehension, and business financial performance. On the other hand, critics argue that corporate social entrepreneurship has little influence on a firm's competitive edge and is just done to comply with rules (Gherghina & Simionescu, 2015).

Several kinds of research on social entrepreneurship methods and competitive advantage have been conducted both locally and worldwide. Yildiz (2014) investigated social entrepreneurship techniques and competitive advantage in a Turkish automotive firm. According to the research, power distance has a favorable influence on innovativeness. However, masculinity has a negative effect on new business ventures. Further, Sepehri and Khayati (2013) investigated the relationship between organizational culture and corporate entrepreneurship. As a result, social entrepreneurship lowers the firm's operating expenses and risks (Heal, 2005). Zare and Shakeri (2011) performed research in Yazd province on the impact of socio-entrepreneurship on small and medium-sized businesses performance. According to the findings, the coordination component has a negative impact on creativity and organizational self-renewal, whereas the desire to change has the greatest impact. Seifari and Amoozadeh (2014) investigated the link between social entrepreneurship and competitive advantage in sports organizations in Golestan Province. The findings demonstrated a significant positive relationship between social entrepreneurship and competitive advantage. Therefore the study seeks to establish a link between social entrepreneurial behavior and competitive advantage among SMEs in developing countries.

2. Literature Review

2.1. Competitive Advantage

The term competitive advantage has traditionally been described in terms of the attributes and resources of an organization that allow it to outperform others in the same industry or product market (Barney, 2009). In addition, competitive advantage is dominance gained by an organization when it provides the same value as its competitors but at a lower price or at higher prices by providing greater value through differentiation. In addition, competitive advantage results from matching core competencies to the firm's opportunities (Thomas, 2001). According to Powell (2001), a firm's competitive advantage is gained over competitors by offering customers greater value through lower prices or by providing additional benefits and services that justify similar, or possibly higher, prices. Therefore, if a firm possesses resources and capabilities that are superior to those of competitors, then as long as it adopts a strategy that utilizes these resources and capabilities effectively, it should be possible to establish a competitive advantage.

However, past studies have looked at competitive enterprise advantage as the need to offer better customer value and/or lower cost, obtain higher market share, and have higher financial performance (Hunt & Morgan, 1995). Along with the sentiments of Hunt and Morgan (1995), Aharoni (1993) and Porter (1990) suggest measuring competitive advantage by using the index of financial performance. Most of the scholars have focused on two dimensions of Competitive advantage: Flexibility and Responsiveness (Evans, 1993; Krajewski & Ritzman, 1996; Macmillan & Tampo, 2000). Therefore for firms to create a competitive advantage, a firm needs the ability to:

- Make good use of resources, defined as the capability to handle a given matter, as the ability grows over time,
- Utilize the available resources to create new resources, such as skills (through new technology), or
- Open new doors to the development of new types of products

In addition, empirical studies have measured competitive advantage twofold: access to resources (input-based competition) and customers (output-based competition). According to Zur (2014), output-based competition is more often in terms of sales volume, which does not cover output-based competition for social enterprises because their fundamental activity is focused on supplying non-paid services to their beneficiaries. However, the beneficiaries may pick the offer of competition. How these organizations will manage their numerous tensions (goals, organizational and legal forms, and stakeholders' pressure) to their advantage is critical to their competitive advantage (Zur, 2014). Therefore, the study focused on the input-based competition dimensions of competitive advantage contrary to the sentiments of Hunt and Morgan (1995), Aharoni (1993), and Porter (1990). They measured competitive advantage by using the index of financial performance.

2.2. Social Entrepreneurship

Social entrepreneurship is the activity of a social entrepreneur with a social purpose who detects a social problem and tackles it via social innovation while producing social impact and social value for both the business (sustainability) and society (scalability). As a result, social entrepreneurship may be described as 'a simple phrase with a large diversity of implications' (Trexler, 2008). One of the most important hurdles to the advancement of research on the subject is the lack of a consistent definition of the concept. Various definitions have emerged from areas as diverse as economics, accounting, and entrepreneurship (Lepoutre et al., 2013). Social entrepreneurship has evolved as a substantial economic force. It is characterized as an 'entrepreneurial activity with a social purpose embedded in it.'

Hence, social entrepreneurship may be described as the process of bringing together resources in an innovative way to meet social needs or to effect social change (Mair & Marti, 2006). Social entrepreneurship (SE) has developed as a major research topic for both corporations and academia (Kannampuzha & Hockerts, 2019; Rey-Marti et al., 2016b). Several concerns, such as poverty and human welfare, have inspired a lot of firms to conduct socially responsible business (Huda et al., 2019; Doherty et al., 2014). SE acts as a catalyst for social change, and most social entrepreneurs do not expect to earn directly from their social enterprises (Barberá-Tomás et al., 2019). According to Bygrave and Minniti (2000), all enterprise has a social purpose. Nevertheless, SE differs from traditional entrepreneurship because its primary goal is to produce social value rather than private economic rewards (Bedi & Yadav, 2019; Pless, 2012; Santos, 2012; Mair et al., 2012a).

2.2.1. Social Entrepreneurship Behavior

Poverty, climate change, and social injustice put pressure on organizations to find new solutions. To address these issues, a new paradigm of social entrepreneurship has emerged. As a result, over the years, a number of definitions have been proposed, all of which appear to have three characteristics:

- The primary goal of social entrepreneurial behavior is the creation of social value,
- The distinguishing feature of entrepreneurship is innovation, and
- Social entrepreneurship achieves its social mission through entrepreneurial behavior and activities (Alarifi et al., 2019; Syrjä, Puumalainen, Sjögrén, Soininen, & Durst, 2019)

Social entrepreneurs' contributions to a nation's social, economic, cultural, and environmental riches are becoming more acknowledged. While social entrepreneurship is not a new phenomenon, the phrase 'social entrepreneur' has lately been used to characterize the seemingly growing number of individuals who form businesses solely to accomplish social objectives rather than for personal financial gain. According to Wolk (2007), researchers have attempted to define the term 'social entrepreneur'.

However, there has been no consensus on the definition of the concept of social entrepreneurship. Researchers and stakeholders, including community and economic development agencies and politicians, have sought to identify characteristics common to social entrepreneurs (Prabhu, 1999; Thake & Zadek, 1997; Thompson *et al.*, 2000). The concept is based on the findings of Ashoka (2001), a worldwide organization that discovers social entrepreneurs and gives them cash to begin their initiatives. It defines social entrepreneurs' 'ethical' aim as its defining quality. Furthermore, Ashoka suggests that social entrepreneurs be enterprising, innovative, and agenda-setting. Along with entrepreneurship research that has attempted to categorize, describe, and characterize company or 'for-profit-only' entrepreneurs (Brockhaus, 1982; Carland *et al.*, 1988; Chell et al., 1991; Dunkelberg & Cooper, 1982; Kilby, 1971). As a result, the traits proposed by Ashoka imply parallels between social and corporate entrepreneurs. This viewpoint is reinforced by Community Action Network (2001), which contends that social entrepreneurs are the 'equivalent' of corporate entrepreneurs in many aspects.

Drucker (1999), Zaim (2016), and Leadbeater (1997) all agree that many characteristics and behaviors of social entrepreneurs are similar to those of entrepreneurs working solely for profit, such as drive, determination, ambition, charisma, leadership, the ability to communicate vision and inspire others, and the best use of scarce resources. However, while social and corporate entrepreneurs have many characteristics, the two can be distinguished in various ways. For starters, the ethical standards that inspire social entrepreneurs help guarantee that:

- Public funds are spent wisely,
- Ideas are not tainted by vested interests, and
- They are totally devoted to the job of their firm (Ashoka, 2001)

In contrast, while business entrepreneurs may aim to take an ethical approach to business management, there is little evidence in entrepreneurship characteristic research to suggest that strong ethical principles may be used to identify business entrepreneurs. Second, social entrepreneurs are distinguished by their goals and missions (Leadbeater, 1997; Community Action Network, 2001).

While corporate entrepreneurs may be motivated by profit or shareholder value, social entrepreneurs are motivated by a desire to achieve social goals. Third, some experts believe that one of the most important characteristics of social entrepreneurs is their ability to innovate. 'Social entrepreneurs are like reformers and revolutionaries with a social cause,' according to Dees (1998). According to recent literature, two cultures are at work in the sphere of social entrepreneurship:

- A traditional culture of charity, and
- A contemporary culture of entrepreneurial problem solution

Both cultures arose through people's psychological reactions to societal requirements and were reinforced by social standards (Dees, 2012).

2.3. Social Entrepreneurship Behavior and Firm Competitive Advantage

Although social entrepreneurs face competition, they may not be rewarded in the same way that commercial entrepreneurs are (Austin *et al.*, 2006). In comparison to their competitors, they are cooperative, participatory, and inclusive (Short *et al.*, 2009). Social entrepreneurship is typically based on empowering leadership (Nowak, 2012). A high level of empathy, an emphasis on social groups, and a willingness to take risks characterize empowering leadership. The capacity to pursue organizational goals in a competitive field is referred to as competitive advantage (Stankiewicz, 2005). According to Zur (2014), an output-based rivalry is more frequently expressed in terms of sales volume. In addition, it does not encompass output-based competition for social enterprises since the primary activity is centered on providing non-paid services to their customers.

Therefore, a firm is said to have accomplished a competitive advantage when, through its offering[s], it creates greater prices for customers than its competition (Clulow et al., 2003). Kaleka (2002) compares aggressive benefit to value gain and differentiation benefit. Fee advantage is defined because the firm supplies its product/provider at a decreased fee. Differentiation advantage, however, represents the client perceiving a constant difference in important attributes between a firm's offerings and the people of its competitors. As referred to formerly, companies' assets and abilities are the sources of fees that create an approach (Barney, 1991). Correspondingly, following Kaleka (2002), our view is that courting building competencies is a pertinent variable in developing SMEs' aggressive benefit. As SMEs cannot be presumed to be well-endowed with tangible property, knowledge is the maximum crucial aid (Gassmann & Keupp, 2007).

Hence, it is common knowledge that social entrepreneurs face enormous conflicts between their social and commercial missions (Ebrahim, Battilana, & Mair, 2014). These are considered twin aims, with the social mission serving as their primary normative goal, with a more utilitarian goal of ensuring the business's economic viability (Moss, Short, Payne, & Lumpkin, 2011). 'Mission drift' is a term used to describe when social entrepreneurs overemphasize the commercial and economic aspects of their work (Cornforth, 2014). As a result, data shows that entrepreneurs use certain tactics to limit the impacts of this drift, such as stakeholder involvement (Ramus & Vaccaro, 2017). Despite this collection of work, earlier research repeatedly presents social and economic objectives as opposing forces to be balanced. This balancing act takes place on a continuum, with social entrepreneurs at one end fixing societal problems as represented in their social purpose.

On the other end of the spectrum, social entrepreneurs emphasize profit as marketed entities, neglecting the social component of their companies. This tension, trade-off, or balancing act has been examined in the literature on social entrepreneurship (Florin & Schmidt, 2011) and hybrid organizing (Doherty, Haugh, & Lyon, 2014), as well as in the microfinance business (Mersland & Strm, 2010). However, it is questionable if strong social and economic objectives can coexist, especially when the strategic importance of an organization's social purpose is considered (Kimmitt & Muoz, 2018; Teasdale, 2010). A hitherto untapped strategic perspective implies that social missions are strategically advantageous and provide a competitive advantage. As a result, the research question is: how can strategic circumstances come together for social entrepreneurs to strengthen their competitive advantage through their social mission?

The problem arises on how these organizations manage their numerous tensions; goal, organizational and legal form, and stakeholder's pressure to their advantage to enhance competitive advantage is a critical question. Scholars give different suggestions regarding the area of social entrepreneurship and competitive advantage. According to (Hoogendoorna, Zwana, and Thurik, 2011), social entrepreneurship is used by firms mostly to advertise themselves to the customers who buy more. This increases the firm sales and hence firm performance. Since entrepreneurship entails finding innovative techniques to generate firm profit, social entrepreneurs aim to ensure the firm moves from maximizing investors' returns to optimizing stakeholders' returns, which constitutes the firm's major objectives (Emerson & Bonini, 2003). Social entrepreneurship behaviour enhances firm performance by enhancing the firm competitive edge (Porter & Kramer, 2006), increasing the firm market share, and embellishing the company's trustworthiness.

Okibo and Shikanda (2011) investigated the effects of organizational culture on innovation in Kenya's Postal Corporations. According to the research, organizational culture, leadership, skills, incentives, and recognition all impact creativity. Theoretical views, techniques, and effects of social entrepreneurship and organizational performance were investigated by Mokaya (2012). He concluded that corporate entrepreneurship needs organizational culture to work successfully as a function of performance. Macharia (2016) found that creativity in enterprise impacts the execution of pharmaceutical businesses in Kenya, according to research on the effects of entrepreneurial execution on the implementation of pharmaceutical firms in Kenya.

Paunovic and Dima (2014) undertook research on social entrepreneurship and performance. According to the findings, social entrepreneurship is a critical component of entrepreneurship. Proactive tactics focused on innovation are increasingly being applied, resulting in various types of entrepreneurship.

Scholars have provided varying opinions on social entrepreneurship and competitive advantage. According to (Hoogendoorna, Zwana, and Thurik, 2011), enterprises mostly employ social entrepreneurship to sell themselves to clients who buy more. This boosts firm sales and, as a result, firm performance. Because entrepreneurship requires developing novel methods for generating company profit, CSE attempts to ensure that the business shifts from maximizing investor returns to optimizing stakeholder returns, which are the firm's primary goals (Emerson & Bonini, 2003). Social entrepreneurship enhances firm performance by boosting the firm's competitive advantage (Porter & Kramer, 2006), increasing the firm's market share, and strengthening the company's trustworthiness. Social entrepreneurship also lowers a company's operational expenses and risk (Heal, 2005).

According to Tsoutsoura (2004), social entrepreneurship improves market distinction, customer comprehension, and business financial performance. Other scholars, on the other hand, argue that corporate social entrepreneurship has little influence on business performance and that firms engage in it just to comply with rules (Gherghina & Simionescu, 2015). Seifari and Amoozadeh (2014) investigated the association between social entrepreneurship, competitive advantage, and organizational performance in Golestan Province. The findings demonstrated a notable positive relationship between social entrepreneurship and competitive advantage. Creating an enabling environment attempts to improve employees' creative capacities, resulting in new organizational innovations that boost organizational performance. In addition, Piirala (2012) conducted comparative research of Finnish and German SMEs to examine the influence of social entrepreneurship on competitive business advantage.

According to his results, innovativeness was the most important contributor to the competitive advantage of businesses in both nations' SMEs. Moreover, the impact of innovativeness alone was bigger than that of the integrated social entrepreneurship concept. Further, Otieno, Bwisa, and Kihoro (2012) investigated the impact of entrepreneurial attitude on the Assembling Firms Working in East Africa Regional Integration in Kenya. The research made use of both qualitative and quantitative data. The findings show that entrepreneurial presentation significantly influences the execution of Kenya's gathering enterprises to the degree that transactions, rewards, and job possibilities are used as indicators of firm execution. Arshad et al. (2013) performed research in Malaysia on the influence of social entrepreneurship on the execution of small and medium-sized businesses.

The study sought to investigate the impact of social entrepreneurship elements on the operations of Malaysian SMEs. The findings suggested that there was a weak relationship between the variables. This study also discovered that originality, pro-activeness, risk-taking, and concentrated forcefulness all influenced performance. According to Macharia

(2016), a research on the impacts of entrepreneurial execution on the implementation of pharmaceutical enterprises in Kenya, inventiveness in business influences pharmaceutical firm execution. Acceptance of innovative advertising and production strategies for pharmaceutical items can help companies perform better. Furthermore, the study found that risk-taking may have an impact on the execution of pharmaceutical companies. The majority of socio-cultural entrepreneurship strategy research has focused on the strategy as a whole rather than examining the impact of its component elements and competitive advantage. However, many of the studies are descriptive (Teasdale et al., 2011; Terjersen et al., 2012), and just a few studies have attempted, with limited success, to evaluate economic decisions in social firms, such as how it creates competitive advantage.

The study premise is that social entrepreneur behavior is an essential instrument for a firm competitive advantage.

2.4. Proposed Conceptual Framework

Within the view of resource-based theory, strategic orientations, i.e., social entrepreneurial behavior (SEB), are a pool of internal resources that could set up an aggressive facet (Barney, 1991). So, these techniques are uncommon and vital for companies to be competitive in the market (Miller & Shamsie, 1996). The RBV is considered one of the most extraordinary theoretical views in strategic control literature (Barney, 1991; Helfat & Raubitschek, 2000). The capability of a company to recognize, develop, hire, and keep precise sources and differentiate them from its competitors facilitate and assists its achievement of preserving aggressive benefit (Carmeli & Tishler, 2004). Barney (1991) counseled that a firm has to possess critical and essential tangible and intangible assets and strategic capabilities, which can be critical, great, pricey to mimic, and non-substitutable. RBV was first added by using Wernerfelt (1984) and has been visible as a pleasant study area for the previous few years (Galbreath, 2005). Consequently, this study checked the relationship between SEB with competitive benefit, which is in keeping with the RBV. A complete literature evaluation showed that SBE is considered the competency that creates an aggressive aspect. As argued by Weerawardena and Coote (2001) and echoed by Seifari and Amoozadeh (2014), they took into consideration SEB every other supply of aggressive benefit. Below is the framework, as mentioned above:

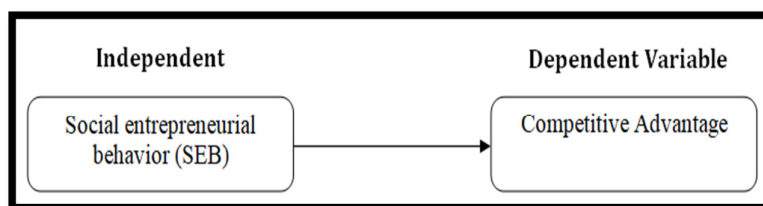


Figure 1: Proposed Conceptual Framework

3. Methodology

The study adopted an explanatory research design of cross-sectional nature. According to Sekaran and Bougie (2009), a researcher should use more than one design to enhance the study. Hence, the mixed design was used to achieve the optimal results as recommended by Saunders, Lewis, and Thornhill (2009). Explanatory research design analyses the cause-effect relationship between two or more variables (Leavy, 2017; Rahi, 2017).

3.1. Sample and Data Collection Instrument

The study's target population was 10,924 licensed small and medium-sized enterprises in Nairobi County, Kenya (KNBS, 2018). The unit of analysis was the firm. The study sample size was computed using Yamane (1967:886) formula, which was modified by Saunders et al. (2003) to calculate sample sizes since the target population was known.

Where:

- n =sample size,
- N =population size, and
- e =the error of sampling for the study will be 0.05

Out of the total 10,924 small and medium-sized enterprises (SMEs), a sample of 386 was selected based on Yamane's (1967) procedure. The study sample size was computed using Yamane (1967:886) formula, which was modified by Saunders et al. (2003) to calculate sample sizes since the target population was known.

Data collection instrument refers to the tools employed in collecting data for the study (Oso & Onen, 2008). The study used self-administered structured and semi-structured questionnaires to collect data for independent, moderator, mediator, and dependent variables. The questionnaire was close-ended questions because they are easier to administer and analyze since each item is followed by an alternative answer. The closed-ended questions ensure that the respondent stays focused on the study objectives (Saunders et al., 2014). The study utilized questionnaires for data collection since it is considered an economical method and provides standardized and structural questions into variables for data analysis.

3.2. Measurement of Study Variables

Dependent Variable -Competitive Advantage - Competitive advantage construct was measured using ten items of internal and external constructs of Zur (2014) and Ramaswami, Bhargava, and Srivastava (2004). Therefore, competitive

advantage was measured using the internal and external model by Zur (2014) on a five-item scale measuring the following dimensions:

- Different stakeholders within the organization network,
- Ability to employ professional skills by the organization

The independent variable for the study is Social entrepreneurial behavior. Social entrepreneurial behavior was measured using eleven items developed by Mort, Weerawardena & Carnegie (2002). Social entrepreneurial behavior was conceptualized as giving rise to that set of organizational values that influence the propensity of the firm to create and use knowledge. The conceptualization of social entrepreneurship presented here is framed within an organizational capability model of sustained competitive advantage.

3.3. Model Specification

The overall multiple linear model used to test the hypotheses for the main effect was expressed as follows:

$$Y = \beta_0 + \beta_1 X_1 + \epsilon \dots \dots \dots (i)$$

Y = Firm competitive advantage

β_0 = Is the constant

X = social entrepreneurial behavior

$\beta_0 - \beta_1$ are the coefficient regression or change induced in Y by each x

ϵ = error term

4. Results and Discussion

The study distributed 386 questionnaires to (386 medium-sized enterprises) in Kenya. Notably, out of the total questionnaires administered, three hundred (300) questionnaires from the 300 medium enterprises were filled and returned. This represented 77.72% of the total questionnaires administered. However, of the 300 questionnaires returned, a total of nine (9) questionnaires representing 1% were incomplete and thus could not be used for further scrutiny of the data. Therefore, 291 questionnaires from medium-sized enterprises were realistically and sufficiently completed. Evidently, from table 1 below, the response rate of this study was approximately 75.48%, which is way above the conventionally accepted rate of 30% (Sekaran & Bougie, 2013).

	Number of Questionnaires	Percentages
Administered Questionnaires	386	100.00
Returned Questionnaires	300	077.72
Usable Questionnaires	291	075.48

Table 1: Response Rate of Questionnaire

Source: Survey Data, 2021

4.1. Regression Results

The regression analysis was conducted to check the model fit and assess the models' predictive power, such as forced entry, hierarchical method, and stepwise methods (Field, 2009). The study used the entry regression model because it shows precisely what happens to the regression model when different predictor variables are added. Multiple linear regression analysis was carried out to regress the independent variable (social entrepreneurship behavior) with a competitive advantage. The independent Variable accounted for approximately 26.1% of the overall variance in competitive advantage ($R^2 = .261$, Adjusted $R^2 = .258$). The ANOVA method showed that the combined estimation of all independent variables, as shown in table 2 below, was statistically significant ($F = 102.060$, $p < 0.05$).

The model was thus fit to predict competitive advantage through Social entrepreneurial behavior. To test the suitability of the research model, the distribution F-statistic test was used, using the following two testable hypotheses:

- H0: The model is not appropriate when the independent variables do not affect the dependent variables.
- H1: The model is appropriate when the independent variables affect the dependent variables.

Study findings in ANOVA table 2 indicated that the above-discussed coefficient of determination was significant, as evidenced by (Sig. F) ratio of 102.060 with p value 0.000 < 0.05 (level of significance), and the study accepted the alternative one. Therefore, the models used are appropriate. The following are the hypotheses for the direct relationship:

- H₀₁ predicted that there is no significant effect of Social entrepreneurial behavior on an organization's competitive advantage. The results presented in table 2 below showed a positive and significant association between Social entrepreneurial behavior and organizational competitive advantage ($\beta = .499$, $p = .000$). Therefore, the hypothesis was not supported. Thus, it implies that the more a medium-sized enterprise adopts or engages in social aspects, the more they contribute to influencing the organization's competitive advantage through new ways of achieving the organization's goals by enhancing social goals in innovations and Entrepreneurial virtuous openness.

The study results reported a positive and significant effect between social entrepreneurship behaviors and firm competitive advantage ($\beta = .3191$, $p < .05$).

Generally, these findings suggest that an increase in social values among entrepreneurs' is highly associated with improved levels of competitive advantage among medium-sized enterprises. Study findings showed that social entrepreneurship behaviors affected competitive advantage positively. The finding is in line with (Lumpkin & Dess, 2001; Hughes & Morgan, 2007). They concluded that social entrepreneurship behaviors directly affect a firm competitive advantage. This implies that social entrepreneurs can create superior social value for their stakeholders. In addition, their

ability to attract resources (capital, labour, equipment, etc.) in a competitive marketplace indicates that medium enterprises are more productive in using limited resources than the other firms they compete against. Medium-sized enterprises look for innovative ways to ensure that their ventures have access to resources as long as they are creating social value within the community.

	Unstandardized Coefficients	Standardized Coefficients		
		Beta	t	Sig.
(Constant)	2.011 (.185)		2.282	.025
Predictor Variables				
Social entrepreneurial	.499 (.049)	.511	10.102	.000
Model Summary				
R	.511			
R Square	.261			
Adjusted R Square	.258			
F Change	102.060**			
Durbin-Watson	1.568			
^a Dependent Variable: Competitive Advantage Note: N= 291, Level of Significance, *P< .05, **P< .01. Standard Errors Are Given In Parentheses. All Numbers Are Rounded to Three Decimal Places				

Table 2: Regression Result for the Direct Effect of Social Entrepreneurial Behavior on Competitive Advantage

Source: Survey Data, 2021

5. Conclusions

The study suggests that the social entrepreneurial behavior of an entrepreneur positively influences aggressive gain. This end result should explain why successful marketers proactively give again to the community. If we look upon this examination in a bigger context, one ought to conclude that by way of growing the social entrepreneurial behavior together with supporting and assisting the underprivileged, the community will then contribute lower back to the business enterprise, for this reason developing a circle of float. Therefore, it is not always unexpected that many companies are accomplishing social entrepreneurship. Many studies have proved that CSR (corporate social duty) creates competitive advantage and, sooner or later, overall organizational performance. Consequently, this has empirically tested that it is far the equal state of affairs for SMEs in Kenya as well. This look may result in a trade of exercise in corporations searching to improve their competitive benefit. Therefore, SMEs should interact in social entrepreneurship as it may bolster the agency's competitive gain. This study has established that corporations should benefit by doing this accurately and becoming socially responsible.

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