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INVESTIGATING COMMUNITY-ORIENTED SME BUSINESS MODELS: A QUANTITATIVE STUDY OF STUDENT START-UPS IN VIETNAM

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ABSTRACT

Community-oriented business models have increasingly attracted attention as a means of balancing economic objectives with social value creation. However, empirical evidence regarding how specific dimensions of community-oriented business models influence both business performance and social impact remains limited, particularly in the context of student-led start-ups in emerging economies. Based on the Stakeholder Theory (Freeman, 1984), Social Entrepreneurship Theory (Dees, 1998) and the concept of Creating Shared Value (Porter & Kramer, 2011), this study examines the effects of six community-oriented business model dimensions, including community value orientation, stakeholder inclusiveness, social problem-solving orientation, community engagement, sustainable value creation, and innovation for social good, on business performance and social impact among student start-ups in Vietnam. A quantitative research approach was adopted, and data were collected from 297 founders, co-founders, and key members of student start-ups operating in major Vietnamese cities. The proposed research model was tested using Partial Least Squares Structural Equation Modelling (PLS-SEM) with SmartPLS 3. The results indicate that community value orientation, stakeholder inclusiveness, community engagement, and sustainable value creation positively influence business performance. Stakeholder inclusiveness emerged as the strongest predictor of business performance. For social impact, community value orientation, stakeholder inclusiveness, social problem-solving orientation, and sustainable value creation were found to have significant positive effects. In contrast, social problem-solving orientation and innovation for social good negatively influenced business performance, while community engagement and innovation for social good negatively affected social impact. The study contributes to the literature by providing empirical validation of a multidimensional community-oriented SME business model framework and highlighting the potential trade-offs between social and economic objectives in student entrepreneurial ventures. The findings offer practical implications for entrepreneurs, universities, and policymakers seeking to promote sustainable and socially responsible entrepreneurship in Vietnam.

KEYWORDS: Business performance; community-oriented business model; social impact; student start-ups.

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1.0 INTRODUCTION

Small and medium-sized enterprises (SMEs) play a central role in economic development, particularly in emerging economies. In Vietnam, SMEs account for approximately 97% of total enterprises and contribute significantly to employment generation and national economic output (OECD, 2021). Alongside this structural importance, Vietnam has experienced a rapid expansion of youth entrepreneurship and student-led start-ups, driven by policy support, digital transformation, and an increasingly innovation-oriented economy. Recent national reports indicate that Vietnam's youth start-up ecosystem has attracted approximately USD 529 million in venture capital investment in 2024 alone, reflecting strong growth momentum despite persistent structural challenges in access to capital and managerial capability. At the same time, Vietnam has a large and dynamic youth population, with more than 22 million young people accounting for around 36% of the national labour force. This demographic advantage has been identified as a key driver of entrepreneurship and innovation potential in the country (UNDP & UEH, 2025). Government-led initiatives such as Project 1665 "Supporting Student Entrepreneurship until 2025" and the National Innovation Startup Ecosystem Scheme (Decision 844/QĐ-TTg) have further strengthened the institutional environment for student entrepreneurship by promoting incubation programmes, mentorship networks, and university-based start-up ecosystems (National Startup Support Center - NSSC, 2024). Despite these developments, empirical evidence suggests that student start-ups in Vietnam continue to face substantial constraints. These include limited access to financial resources, lack of experienced mentors, weak commercialization capacity, and relatively low survival rates. For instance, only around 26.7% of start-ups report operating effectively, while a significant proportion remain in early or informal stages of development. . These challenges highlight the structural fragility of early-stage entrepreneurial ventures in Vietnam and raise questions about which business model configurations can enhance both survival and performance.

In response to these challenges, increasing scholarly attention has been directed toward community-oriented SME business models, where firms embed community needs, stakeholder relationships, and social value creation into their core strategic logic. Rather than prioritizing profit maximization alone, these models emphasize value co-creation with stakeholders, deep local embeddedness, and active responsiveness to social and community problems (Mair & Marti, 2006; Porter & Kramer, 2011; Bocken et al., 2014). Such approaches are particularly relevant in emerging economies such as Vietnam, where institutional support systems for start-ups remain uneven and resource constraints are common. In this context, community-oriented business models may enable student-led ventures to compensate for limited financial and managerial resources by leveraging relational capital, stakeholder trust, and community-based support systems (Freeman, 1984; Nguyen &

Adomako, 2022). However, despite the rapid development of literature on social entrepreneurship, stakeholder engagement, and sustainable business models, there is still limited empirical evidence on how distinct dimensions of community-oriented business models jointly influence both business performance and social impact, particularly within student-led entrepreneurial ventures. Existing studies tend to focus on individual constructs in isolation such as stakeholder inclusiveness, community engagement, or social innovation rather than integrating them into a unified multidimensional framework that reflects the complexity of community-oriented entrepreneurship (Doherty et al., 2014; Saebi et al., 2019). As a result, the combined and relative effects of these dimensions remain underexplored, especially in quantitative studies using structural equation modelling. This limitation is particularly significant in the Vietnamese context, where student start-ups operate under dual and sometimes competing pressures: achieving financial sustainability while simultaneously responding to increasing expectations for social responsibility and sustainable development. Prior research in social entrepreneurship suggests that while community-oriented practices can enhance legitimacy, stakeholder support, and long-term resource access, they may also introduce operational complexity and short-term trade-offs in resource-constrained environments (Austin et al., 2006; Zahra et al., 2009). These tensions make it essential to empirically examine how different dimensions of community-oriented business models influence both economic and social outcomes in practice.

Given these gaps, this study develops and empirically tests a comprehensive framework of community-oriented SME business models in the context of Vietnamese student start-ups. Specifically, the study conceptualizes the model through six interrelated dimensions community value orientation, stakeholder inclusiveness, social problem-solving orientation, community engagement, sustainable value creation, and innovation for social good and examines their effects on both business performance and social impact. Based on the Stakeholder Theory by Freeman (1984), Social Entrepreneurship Theory by Dees (1998) and the concept of Creating Shared Value (CSV) by Porter & Kramer (2011), the objectives of this study are threefold: (1) to examine the effects of community-oriented business model dimensions on the business performance of student start-ups in Vietnam; (2) to assess their effects on the social impact generated by these ventures; and (3) to contribute empirical evidence toward a more integrated and multidimensional understanding of how community-oriented business models shape dual performance outcomes in emerging entrepreneurial ecosystems. The study is constructed by 5 parts including (1) Introduction; (2) Literature review and hypothesis development; (3) Methodology; (4) Findings and discussion; and (5) Implications and conclusion.

2.0 LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1 Community-oriented business

Community-oriented businesses (COBs) are understood as businesses oriented towards the community, where the creation of economic value is linked to the development goals and meeting the needs of the local community. Unlike traditional business models that focus primarily on maximizing profits for owners, COBs operate as a hybrid organization, where economic, social, and community logics coexist and interact in the decision-making process. According to Tuckerman et al. (2023), a key characteristic of community-oriented businesses is the presence of community logic, which reflects how the values, norms and expectations of the local community shape the

behavior and strategies of the business alongside market logic. Based on this concept, many recent studies emphasize the role of the level of “embeddedness”, that is the integration of the business into the local social structure as a core element of COB. Community-oriented businesses do not operate in isolation from the social context but are rooted in local networks of relationships, thereby forming reciprocal obligations and expectations. Suutari et al. (2023) argue that in small businesses in rural areas, responsibility to the community is not an additional activity but a natural part of the business process, maintained through a two-way exchange mechanism between the business and the community. This shows that the relationship between the business and the community is interdependent rather than simply an economic supply-demand relationship.

Besides the local engagement factor, COB is also characterized by the co-creation of value between businesses and the community. Recent studies in the field of entrepreneurship show that the community not only acts as a beneficiary but also as an active participant in the formation and implementation of business opportunities. Bacq et al. (2022) emphasize that in the startup ecosystem, the community can act as an opportunity co-creator, meaning it co-creates opportunities instead of passively reacting to business activities. Similarly, Mitzinneck et al. (2024) show that community-based businesses create social impact through a “community anchoring” mechanism, in which the community is directly integrated into the operation and development of the business, thereby increasing the sustainability of the impact created.

Another important approach in COB research is viewing businesses as entities with local identity. According to Taecharungroj & Prasertsakul (2023), the concept of “placeful business” emphasizes that businesses not only operate in a location but also reflect and recreate the socio-cultural identity of that place. Integrating place identity into the business model helps businesses create competitive differentiation while strengthening emotional and social ties with the local community. This shows that COB is not just an economic model but also a mechanism for preserving and developing local values. From an impact perspective, current research views COB as an important tool in addressing sustainable development challenges at the local level. Mitzinneck et al. (2024) indicates that community-based enterprises (COBs) have the potential to contribute to solving grand challenges through direct community involvement in the design and implementation of solutions. Simultaneously, in the rural context, Suutari et al. (2023) showed that COBs contribute to maintaining local socio-economic sustainability by creating jobs, enhancing social trust, and strengthening community networks. However, studies also note that economic and social effectiveness are not always directly proportional, suggesting the existence of inherent tensions between market logic and community logic.

Although research on community-oriented businesses has developed significantly, several important theoretical gaps remain. Firstly, concepts such as community business, community-based enterprise, and socially oriented SMEs are not clearly distinguished, leading to overlapping research approaches. Secondly, much of current research focuses on descriptive models rather than quantitative testing of the long-term impact of COB on socio-economic development. Finally, recent studies have not fully explored the role of the community as a strategic actor in the context of digital transformation and globalization, opening up potential avenues for future research.

2.2 Theoretical foundations

This study investigates community-oriented SME business models among student-led start-ups in Vietnam and their influence on business performance and social impact. To explain these relationships, the study draws upon three complementary theoretical perspectives: Stakeholder Theory, Social Entrepreneurship Theory, and Creating Shared Value. Together, these theories provide a comprehensive framework for understanding how student entrepreneurs can create economic value while simultaneously contributing to community development.

2.2.1 Stakeholder Theory

Stakeholder Theory developed by Freeman (1984), argues that organisations should create value for a broad range of stakeholders rather than focusing exclusively on shareholders. Stakeholders include any individuals or groups who can affect or are affected by the achievement of organisational objectives, such as customers, employees, suppliers, local communities, government agencies, and investors. According to Freeman (1984), long-term organisational success depends on the ability to recognise stakeholder interests and effectively manage relationships among these groups. The theory challenges the traditional shareholder-centric view of business by proposing that organisations operate within a network of interconnected relationships. As a result, firms that actively engage with stakeholders are more likely to gain legitimacy, trust, and support from their operating environment. Subsequent studies have expanded the application of stakeholder theory by emphasising the strategic value of stakeholder engagement in enhancing organisational performance, innovation, and sustainability (Donaldson & Preston, 1995; Jones, 1995).

Stakeholder Theory is particularly relevant to community-oriented businesses because such enterprises seek to balance commercial objectives with broader social goals. Rather than viewing communities merely as beneficiaries of business activities, the theory recognises communities as key stakeholders whose needs, expectations, and contributions shape organisational outcomes. Through stakeholder engagement, businesses can better identify community challenges, co-create solutions, and establish stronger relationships with customers and local partners. In the context of student-led SMEs, stakeholder theory suggests that entrepreneurs who actively involve community members, customers, and supporting institutions in their business activities are more likely to develop sustainable and impactful business models. Therefore, the theory provides an important foundation for understanding how community-oriented business practices contribute to both business success and social value creation.

2.2.2 Social Entrepreneurship Theory

Social Entrepreneurship Theory provides another important foundation for understanding community-oriented business models. Unlike conventional entrepreneurship, which primarily focuses on profit maximisation and market opportunities, social entrepreneurship emphasises the creation of social value through innovative and sustainable business activities (Dees, 1998). Social entrepreneurs are motivated not only by economic returns but also by the desire to address social problems and improve societal well-being.

According to Dees (1998), social entrepreneurs act as change agents in society by pursuing social missions, identifying opportunities to create social value, continuously innovating, and adapting to

changing circumstances. Similarly, Mair & Marti (2006) define social entrepreneurship as a process involving the innovative combination of resources to address social needs while maintaining organisational sustainability. These perspectives highlight the dual objectives of social enterprises: achieving financial viability while generating positive social outcomes.

The literature further suggests that social entrepreneurship differs from traditional business approaches in terms of mission orientation, value creation processes, and performance evaluation. Austin et al. (2006) argue that social enterprises operate in environments where social impact is considered equally important as financial performance. Consequently, entrepreneurial success is measured not only by profitability but also by the extent to which organisations contribute to solving social and community-related problems. The principles of social entrepreneurship are highly applicable to student-led community-oriented SMEs. Many student entrepreneurs establish ventures that seek to address local challenges such as environmental sustainability, educational inequality, community development, and social inclusion. These enterprises often combine commercial activities with social missions, reflecting the characteristics of social entrepreneurship. Therefore, Social Entrepreneurship Theory provides a useful lens for explaining how community-oriented business models can generate both economic and social value.

2.2.3 Creating Shared Value Perspective

The concept of Creating Shared Value (CSV), proposed by Porter & Kramer (2011), extends the relationship between business and society by arguing that economic success and social progress are mutually reinforcing rather than conflicting objectives. The theory suggests that businesses can enhance their competitiveness while simultaneously addressing societal challenges. In contrast to traditional corporate social responsibility approaches, which are often viewed as peripheral activities, shared value is embedded directly within a firm's core business strategy. Porter & Kramer (2011) argue that organisations create shared value by reconceiving products and markets, redefining productivity within value chains, and enabling local cluster development. Through these mechanisms, businesses can generate economic benefits while contributing to community welfare and sustainable development. The shared value approach therefore emphasises the integration of social concerns into business operations rather than treating them as separate philanthropic initiatives.

The relevance of Creating Shared Value Theory has been widely recognised in studies examining sustainable business models and social innovation. Researchers have argued that businesses capable of aligning commercial objectives with social needs can develop stronger competitive advantages, enhance customer loyalty, and build long-term stakeholder support (Crane et al., 2014; Pfitzer et al., 2013). As societal expectations increasingly demand responsible business practices, creating shared value has become an important strategic approach for organisations seeking sustainable growth. For student-led SMEs, the shared value perspective provides a useful explanation for how community-oriented business models may contribute to business effectiveness. By addressing community needs through market-based solutions, student entrepreneurs can create products and services that generate benefits for both their ventures and society. Consequently, community-oriented business models may strengthen business performance and increase social impact simultaneously. The

theory therefore supports the proposition that economic and social value creation can coexist within entrepreneurial ventures.

2.3 Dimensions of community-oriented SME business models

The concept of a business model traditionally focuses on how organisations create, deliver, and capture value (Osterwalder & Pigneur, 2010; Teece, 2010). However, the increasing emphasis on sustainability, social entrepreneurship, and stakeholder engagement has encouraged scholars to reconsider the purpose of business models beyond purely economic outcomes. Contemporary research suggests that firms can simultaneously pursue commercial success and social value creation through business models that actively address societal needs and engage community stakeholders (Bocken et al., 2014; Porter & Kramer, 2011). Community-oriented businesses represent a particular form of organisation that integrates community concerns into core business activities. Rather than treating social responsibility as a peripheral activity, these enterprises embed social objectives within their value creation processes. Previous studies have shown that organisations with strong community orientation tend to emphasise stakeholder collaboration, social problem-solving, sustainable value creation, and social innovation as central elements of their business models (Mair & Marti, 2006; Yunus et al., 2010).

The literature on social entrepreneurship suggests that the creation of social value is a defining characteristic of organisations pursuing community-oriented objectives. According to Dees (1998), social entrepreneurs are distinguished by their commitment to creating and sustaining social value. Similarly, Mair & Marti (2006) argue that social entrepreneurship involves innovative actions designed to address social problems and improve societal well-being. More recent research has continued to emphasise the importance of mission-driven value creation as a central feature of socially oriented ventures (Saebi et al., 2019). These studies collectively indicate that a strong commitment to community welfare and social value creation constitutes a fundamental component of community-oriented business models. Therefore, Community Value Orientation is proposed as the first dimension of the Community-Oriented SME Business Model.

A second characteristic consistently highlighted in the literature is the active involvement of stakeholders in organisational processes. Stakeholder Theory posits that businesses create value not only for shareholders but also for a wider network of stakeholders, including customers, employees, communities, and institutional partners (Freeman, 1984). Subsequent studies have demonstrated that stakeholder participation contributes to organisational legitimacy, innovation, and long-term sustainability (Donaldson & Preston, 1995; Jones, 1995). Within social enterprises and community-based organisations, stakeholder collaboration is particularly important because social challenges often require collective action and resource sharing (Doherty et al., 2014). Accordingly, Stakeholder Inclusiveness is identified as another key dimension reflecting the extent to which community-oriented SMEs engage stakeholders in value creation and decision-making processes.

The social entrepreneurship literature further suggests that socially oriented organisations are distinguished by their focus on addressing societal challenges. Unlike traditional businesses that primarily respond to market opportunities, social enterprises frequently emerge in response to unmet social needs and community problems (Austin et al., 2006). Research by Zahra et al. (2009)

highlights that social entrepreneurs often pursue innovative solutions to complex social issues, while Bacq & Janssen (2011) argue that problem-solving activities represent a central mechanism through which social value is generated. Consequently, the ability to identify and address community problems constitutes an essential feature of community-oriented business models. This characteristic is reflected in the dimension termed Social Problem-Solving Orientation.

Closely related to stakeholder participation is the concept of community engagement. Community engagement refers to the development of ongoing relationships between organisations and the communities they serve. Research has shown that active engagement with communities enhances organisational legitimacy, trust, and social impact (Putnam, 1993; Peredo & Chrisman, 2006). Community-oriented enterprises often rely on continuous interaction with local stakeholders to better understand community needs, adapt their activities, and strengthen social outcomes. As such, Community Engagement represents a distinct dimension that captures the depth and quality of organisational relationships with local communities.

The sustainable business model literature provides further insight into how community-oriented organisations create long-term value. Bocken et al. (2014) argue that sustainable business models extend beyond economic performance by incorporating social and environmental considerations into value creation processes. Similarly, Stubbs & Cocklin (2008) suggest that sustainable enterprises pursue outcomes that benefit multiple stakeholders over time rather than prioritising short-term financial gains. In the context of community-oriented SMEs, the capacity to generate enduring economic and social benefits is particularly important because sustainable impact requires long-term organisational viability. Therefore, sustainable value creation is included as a dimension of the proposed framework.

Finally, innovation has been widely recognised as a critical driver of social and community impact. Social innovation research highlights the role of innovative products, services, and processes in addressing societal challenges and improving collective well-being (Murray et al., 2010; George et al., 2012). Unlike conventional innovation, which is often motivated by competitive advantage and profitability, social innovation focuses on generating solutions that create positive social outcomes. For community-oriented SMEs, innovation may enable entrepreneurs to overcome resource constraints, respond to emerging community needs, and increase the scale of their impact. Consequently, innovation for social good is proposed as the final dimension of the community-oriented SME business model.

Drawing upon these streams of literature, this study conceptualises the community-oriented SME business model as a multidimensional construct consisting of community value orientation, stakeholder inclusiveness, social problem-solving orientation, community engagement, sustainable value creation, and innovation for social good. Together, these dimensions capture the mechanisms through which student-led SME integrate community objectives into business activities while pursuing both economic and social outcomes.

2.4 Community-oriented SME business model dimensions and business performance

Business performance is commonly used to evaluate the success and sustainability of SMEs and is often reflected through indicators such as sales growth, profitability, market expansion, and overall business development (Venkatraman & Ramanujam, 1986). Previous studies suggest that business models integrating social and community-oriented elements can contribute positively to organisational performance by strengthening stakeholder relationships, enhancing legitimacy, fostering innovation, and creating long-term competitive advantages.

Community value orientation reflects a firm's commitment to creating positive social and economic benefits for local communities while simultaneously pursuing its business objectives. Rather than focusing solely on profit maximisation, firms with a strong community value orientation seek to address societal challenges, improve community well-being, and contribute to sustainable development through their business activities. This orientation is particularly relevant for entrepreneurial ventures, as it shapes how firms interact with stakeholders and allocate resources to generate both economic and social value. Research in social entrepreneurship suggests that organisations with a strong social value orientation are more likely to gain stakeholder trust, legitimacy, and long-term support from customers, employees, investors, and local communities (Dees, 1998; Mair & Marti, 2006). These intangible assets can enhance a firm's reputation, strengthen stakeholder relationships, and facilitate access to critical resources necessary for growth and survival. In addition, stakeholder support can improve customer loyalty, encourage positive word-of-mouth communication, and increase opportunities for collaboration, all of which contribute to superior business outcomes. From a strategic perspective, the Creating Shared Value framework argues that businesses can create economic value by identifying and addressing social needs and community challenges (Porter & Kramer, 2011). By aligning business goals with societal interests, firms can develop innovative products and services, enter new markets, improve operational efficiency, and build sustainable competitive advantages. This approach is particularly important for student start-ups, which often operate with limited resources and rely heavily on external support networks during the early stages of development. In the context of Vietnam, where entrepreneurial ecosystems increasingly encourage sustainable and socially responsible business practices (Dat & Hue, 2026), student start-ups that actively prioritise community value creation may be better positioned to attract stakeholder support, establish legitimacy, and differentiate themselves from competitors. Consequently, a stronger orientation toward community value creation is expected to enhance both financial and non-financial dimensions of business performance.

H1: Community value orientation positively influences business performance of student start-ups in Vietnam.

Stakeholder inclusiveness refers to the extent to which a business actively engages and incorporates the perspectives, interests, and contributions of various stakeholders into its decision-making and value creation processes. Stakeholders may include customers, employees, suppliers, investors, local communities, universities, government agencies, and other parties that can influence or be affected by the firm's activities. Rather than viewing stakeholders merely as external entities, stakeholder-inclusive businesses recognize them as important partners who can contribute

knowledge, resources, and support to organisational development. The theoretical foundation for stakeholder inclusiveness is rooted in Stakeholder Theory, which posits that organisational success depends not only on satisfying shareholders but also on effectively managing relationships with multiple stakeholder groups (Freeman, 1984). According to Donaldson & Preston (1995), organisations that acknowledge stakeholder interests and integrate them into strategic decision-making are more likely to gain legitimacy, trust, and access to valuable resources. Such relationships create a foundation for sustainable business operations and reduce potential conflicts that may arise from neglecting stakeholder expectations. From a resource-based perspective, stakeholder inclusiveness can enhance organisational performance by facilitating the exchange of information, knowledge, and capabilities among different actors. Through regular interaction and collaboration with stakeholders, businesses can better understand market needs, identify emerging opportunities, and respond more effectively to environmental changes. In addition, inclusive stakeholder engagement can improve innovation processes by incorporating diverse viewpoints and experiences into product development and problem-solving activities. Empirical research supports these theoretical arguments. Doherty et al. (2014) found that stakeholder collaboration contributes significantly to organisational effectiveness by strengthening networks, enhancing resource mobilisation, and improving the capacity to create social and economic value. Similarly, studies in entrepreneurship suggest that start-ups often depend heavily on external stakeholders for financial support, mentorship, market access, and legitimacy, particularly during their early stages of development. Therefore, maintaining strong and inclusive stakeholder relationships can be a critical determinant of venture success. In the context of Vietnam, student start-ups typically face constraints related to capital, managerial experience, and market knowledge. As a result, engaging stakeholders such as universities, business mentors, customers, entrepreneurial support organisations, and local communities can provide access to critical resources that may otherwise be unavailable (Nguyen & Adomako, 2022). Stakeholder inclusiveness may also strengthen the credibility and visibility of student ventures, enabling them to build stronger networks and improve their competitive position. Therefore, businesses that adopt a more inclusive approach toward stakeholders are expected to achieve higher levels of business performance.

H2: Stakeholder inclusiveness positively influences business performance of student start-ups in Vietnam.

Social problem-solving orientation refers to an organisation's commitment to identifying and addressing social challenges through entrepreneurial activities. Firms with this orientation seek to create innovative solutions for unmet social needs while simultaneously generating economic value. Within the social entrepreneurship literature, addressing societal problems is viewed not only as a social mission but also as a source of entrepreneurial opportunity that can differentiate businesses from competitors (Austin et al., 2006; Zahra et al., 2009). By developing products, services, or business models that respond to community needs, organisations can create unique value propositions and strengthen their market position. Moreover, businesses that actively contribute to solving social issues are more likely to gain stakeholder trust, customer loyalty, and public support, which can enhance both financial and non-financial performance (Coelho et al., 2023). For student start-ups, a strong social problem-solving orientation may also facilitate access to entrepreneurial networks, partnerships, and resources that support venture growth. Therefore, firms that

demonstrate a greater commitment to solving social problems are expected to achieve higher levels of business performance.

H3: Social problem-solving orientation positively influences business performance of student start-ups in Vietnam.

Community engagement refers to the degree of interaction, participation, and collaboration between a business and the communities it serves. It reflects the extent to which organisations build meaningful relationships with community members, involve them in relevant activities, and respond to local needs and expectations. Through continuous engagement, businesses can develop a deeper understanding of community concerns while fostering mutual trust and cooperation. Existing literature suggests that active community engagement contributes to organisational success by strengthening trust, reputation, and social capital (Peredo & Chrisman, 2006; Putnam, 1993). Strong community relationships can enhance stakeholder support, facilitate access to local resources and networks, and improve a firm's legitimacy within its operating environment. Furthermore, businesses that maintain close connections with their communities are often better positioned to identify emerging opportunities, respond to social needs, and build long-term customer loyalty (Hermawan et al., 2024). For student start-ups, community engagement can be particularly valuable in establishing credibility and expanding support networks during the early stages of venture development. By fostering positive relationships with local communities, student entrepreneurs may enhance both the social impact and sustainability of their businesses. Therefore, higher levels of community engagement are expected to contribute positively to business performance.

H4: Community engagement positively influences business performance of student start-ups in Vietnam.

Sustainable value creation refers to a firm's ability to generate long-term economic, social, and environmental benefits for a wide range of stakeholders while maintaining business viability. Unlike traditional approaches that focus primarily on short-term financial outcomes, sustainable value creation emphasizes the integration of economic objectives with broader societal and sustainability goals. This orientation encourages businesses to create value that can be maintained over time and shared among multiple stakeholder groups. Research on sustainable business models suggests that organisations that successfully balance economic and social objectives are more likely to achieve long-term resilience, adaptability, and competitive advantage (Stubbs & Cocklin, 2008; Bocken et al., 2014). By creating value for customers, communities, employees, and other stakeholders, firms can strengthen stakeholder relationships, enhance reputation, and reduce risks associated with unsustainable business practices. These advantages can contribute to improved organisational performance and long-term growth. For student start-ups, adopting a sustainable value creation orientation may help establish a strong foundation for future development by aligning entrepreneurial activities with stakeholder expectations and emerging sustainability trends. As a result, businesses that place greater emphasis on sustainable value creation are expected to achieve superior business performance.

H5: Sustainable value creation positively influences business performance of student start-ups in Vietnam.

Innovation for social good refers to the development and implementation of innovative products, services, processes, or business models that address social and community needs while creating value for the organisation. This concept emphasizes the use of innovation not only to achieve economic objectives but also to generate positive social impact by solving societal challenges and improving community well-being. For entrepreneurial ventures, innovation for social good represents an opportunity to combine creativity and social responsibility in the pursuit of sustainable growth. Innovation has long been recognised as a key driver of organisational growth, competitiveness, and performance. In the context of social entrepreneurship, innovative approaches enable firms to address unmet social needs more effectively while creating unique value propositions that differentiate them from competitors (George et al., 2012; Murray et al., 2010). Moreover, socially oriented innovation can enhance operational efficiency, open new market opportunities, and strengthen stakeholder support by demonstrating a commitment to social impact. For student start-ups, the ability to develop innovative solutions for social and community challenges may be particularly important in building competitive advantages and attracting customers, partners, and investors. By creating both social and economic value, innovation for social good can contribute to stronger organisational outcomes and long-term venture sustainability. Therefore, firms that place greater emphasis on socially oriented innovation are expected to achieve higher levels of business performance.

H6: Innovation for social good positively influences business performance of student start-ups in Vietnam.

2.5 Community-oriented SME business model dimensions and social impact

Social impact refers to the positive changes generated by an organisation's activities on individuals, communities, and society as a whole. Within the context of social entrepreneurship and community-oriented enterprises, social impact is often reflected through improvements in community well-being, social inclusion, environmental sustainability, access to opportunities, and the overall quality of life of beneficiaries (Rawhouser et al., 2019). Unlike traditional business performance measures that focus primarily on financial outcomes, social impact evaluates the extent to which an organisation contributes to addressing societal challenges and creating value for communities.

Community-oriented SMEs are established with the intention of balancing economic objectives and social contributions. Consequently, the dimensions embedded within their business models are expected to influence their ability to generate meaningful social outcomes. Existing literature suggests that organisations characterised by strong social missions, stakeholder collaboration, community engagement, sustainability orientation, and social innovation tend to achieve higher levels of social impact (Mair & Marti, 2006; Saebi et al., 2019). From a theoretical perspective, community value orientation can be understood through the lens of value co-creation logic, where firms and communities jointly participate in generating social and economic outcomes. When organisations prioritise community welfare, they are more likely to design solutions that directly respond to local needs, thereby increasing relevance and effectiveness of social interventions. This

process strengthens the alignment between organisational activities and societal expectations. Moreover, community value orientation enhances legitimacy and trust within the local environment, which is critical for sustaining social initiatives. In developing contexts such as Vietnam, where community ties and social relationships strongly influence organisational acceptance, firms that demonstrate genuine commitment to community welfare are more likely to achieve broader social acceptance and engagement. Therefore, such orientation is expected to significantly enhance social impact.

H7: Community value orientation positively influences social impact in Vietnam.

Stakeholder inclusiveness refers to the extent to which organisations actively involve diverse stakeholder groups in decision-making processes and value creation activities. Grounded in Stakeholder Theory, organisations are viewed not merely as entities serving shareholders, but as systems embedded within a network of interdependent stakeholder relationships (Freeman, 1984; Donaldson & Preston, 1995). Within this framework, inclusive engagement with stakeholders is essential for identifying and responding to social needs effectively. Mechanistically, stakeholder inclusiveness enhances social impact through improved information flow, resource accessibility, and collective problem-solving capacity. When stakeholders such as customers, community members, universities, and local authorities are actively engaged, organisations gain access to richer knowledge about societal challenges and more diverse perspectives on potential solutions. This inclusivity increases the likelihood that organisational initiatives will be socially relevant and contextually appropriate. Furthermore, stakeholder collaboration strengthens social capital, which is a key driver of coordinated action and sustainable community outcomes. In emerging entrepreneurial ecosystems such as Vietnam, where start-ups often rely heavily on external support systems, stakeholder inclusiveness becomes particularly important in scaling social initiatives and ensuring long-term sustainability. Hence, inclusive stakeholder engagement is expected to enhance social impact.

H8: Stakeholder inclusiveness positively influences social impact in Vietnam.

Social problem-solving orientation describes a firm's strategic intention to identify, address, and resolve social challenges through entrepreneurial action. This concept is deeply rooted in social entrepreneurship theory, which argues that social ventures emerge primarily to fill institutional and market gaps that fail to address pressing societal issues (Austin et al., 2006; Zahra et al., 2009). From a theoretical standpoint, social problem-solving orientation can be linked to opportunity recognition theory, where social problems are reframed as entrepreneurial opportunities. Firms with a strong orientation in this regard are more likely to develop innovative solutions that directly target unmet needs, thereby increasing the efficiency and effectiveness of social interventions. This leads to more meaningful and measurable social outcomes. Additionally, such orientation encourages proactive rather than reactive engagement with social issues. Instead of responding to problems after they emerge, organisations actively anticipate and design interventions that mitigate or eliminate root causes. In the context of student start-ups, this proactive approach is particularly important, as it allows resource-constrained ventures to focus on high-impact and contextually

relevant solutions. Therefore, a stronger social problem-solving orientation is expected to increase social impact.

H9: Social problem-solving orientation positively influences social impact in Vietnam.

Community engagement reflects the degree to which organisations build, maintain, and deepen relationships with local communities through continuous interaction and participation. It is not limited to communication but extends to active involvement in community life, co-design of initiatives, and shared decision-making processes (Peredo & Chrisman, 2006). Theoretically, community engagement enhances social impact through mechanisms of trust-building and relational embeddedness. Trust is a critical precondition for collective action, as it reduces transaction costs and encourages cooperation among community members and organisations. When businesses maintain strong engagement with communities, they are better able to mobilise participation and ensure that interventions are widely accepted and supported. In addition, community engagement enables contextual sensitivity, allowing organisations to tailor their solutions to specific local conditions. This is particularly relevant in Vietnam, where regional and cultural differences may significantly influence community needs and expectations. By maintaining continuous engagement, organisations can ensure that their social initiatives remain relevant, adaptive, and sustainable over time, thereby enhancing social impact.

H10: Community engagement positively influences social impact in Vietnam.

Sustainable value creation refers to the ability of firms to generate long-term economic, social, and environmental benefits simultaneously. It extends beyond short-term profit generation by emphasising intergenerational equity and long-term stakeholder well-being. The concept is strongly grounded in sustainable business model literature, which argues that firms integrating sustainability into their core logic are better positioned for long-term resilience (Stubbs & Cocklin, 2008; Bocken et al., 2014). From a conceptual standpoint, sustainable value creation contributes to social impact through durability and scalability of benefits. Unlike short-term initiatives, sustainable value creation ensures that social benefits are maintained and expanded over time, rather than being temporary or fragmented. This long-term orientation is particularly important in addressing complex social issues that require sustained intervention. Moreover, firms that adopt sustainable value creation practices tend to align more closely with stakeholder expectations, environmental constraints, and societal trends. This alignment enhances legitimacy and reduces resistance from stakeholders, thereby facilitating broader social acceptance of organisational activities. In emerging markets such as Vietnam, where sustainability awareness is rapidly increasing, such alignment is expected to significantly enhance social impact.

H11: Sustainable value creation positively influences social impact in Vietnam.

Innovation for social good refers to the development and application of novel solutions aimed at addressing social and community challenges. It encompasses innovations in products, services, processes, and organisational models that prioritise social outcomes alongside economic objectives. Social innovation theory positions such innovation as a key mechanism for addressing complex and

systemic social problems (Murray et al., 2010; George et al., 2012). Theoretically, innovation for social good enhances social impact by improving the efficiency, scalability, and adaptability of social interventions. Innovative solutions enable organisations to reach larger populations, reduce costs, and increase effectiveness in addressing social needs. This is particularly relevant in resource-constrained environments where traditional solutions may be insufficient or unsustainable. Furthermore, innovation for social good fosters transformative change by challenging existing systems and introducing new ways of addressing social problems. For student start-ups, innovation serves not only as a competitive advantage but also as a mechanism for amplifying social value creation. Therefore, higher levels of socially oriented innovation are expected to lead to greater social impact.

H12: Innovation for social good positively influences social impact in Vietnam.

Based on the above hypotheses, the authors proposes the following research model:

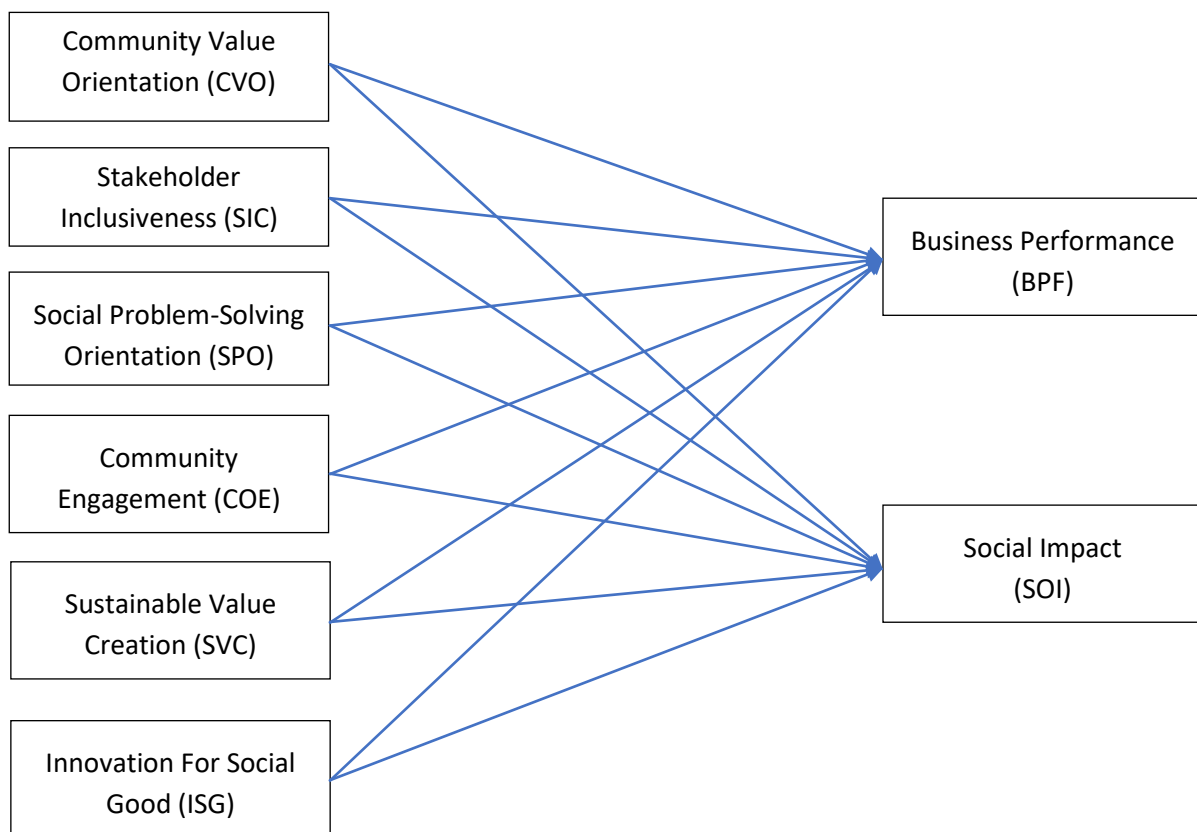


Figure 1: Proposed research model

3.0 METHODOLOGY

3.1 Research approach and measures

This study adopts a quantitative research approach to examine the relationships between community-oriented business dimensions and both business performance and social impact of student start-ups in Vietnam. A quantitative design is appropriate as it allows for hypothesis testing, statistical generalisation, and the examination of causal relationships among multiple latent

constructs. Given the multidimensional nature of the proposed model, the study is expected to employ survey-based data collection and structural equation modelling (SEM) for hypothesis testing. All constructs in this study are conceptualised as latent variables and measured using multi-item Likert scales (5-point scale ranging from 1 = strongly disagree to 5 = strongly agree). The measurement items are adapted from established scales in prior literature to ensure content validity, with minor modifications to fit the context of student start-ups in Vietnam.

Community value orientation (CVO) is measured through 4 items reflecting the extent to which start-ups prioritise community well-being alongside economic objectives. The scale is adapted from social entrepreneurship and value creation literature (Dees, 1998; Mair & Marti, 2006). Items capture whether firms actively integrate community benefits into their mission, decision-making, and product/service design. Stakeholder inclusiveness (SIC) refers to the degree of stakeholder involvement in organisational decision-making and value creation. Measurement of 4 items are adapted from Stakeholder Theory-based studies (Freeman, 1984; Donaldson & Preston, 1995). The construct assesses the extent to which start-ups engage customers, communities, and partners in planning, problem-solving, and co-creation activities. Social problem-solving orientation (SPO) is measured based on the firm's commitment to identifying and addressing social issues through entrepreneurial actions. 4 items are adapted from social entrepreneurship literature (Austin et al., 2006; Zahra et al., 2009). The scale captures whether firms actively develop solutions to community problems and view social challenges as business opportunities. Community engagement (COE) is operationalised as the level of interaction, communication, and collaboration between start-ups and local communities. Measurement of 4 items are adapted from community-based enterprise research (Peredo & Chrisman, 2006). The construct assesses trust-building activities, participation in community initiatives, and ongoing relational engagement. Sustainable value creation (SVC) is measured as the extent to which firms generate long-term economic, social, and environmental benefits. The scale of 4 items is adapted from sustainable business model literature (Stubbs & Cocklin, 2008; Bocken et al., 2014). These items reflect long-term orientation, stakeholder balance, and sustainability integration in business operations. Innovation for social good (ISG) is measured based on the firm's ability to develop innovative solutions addressing social needs. 4 items are adapted from social innovation literature (George et al., 2012; Murray et al., 2010). The construct captures novelty, effectiveness, and social relevance of innovations implemented by start-ups.

For the dependent variables, business performance (BPF) is conceptualised as a multidimensional construct including financial and non-financial outcomes. Measurement of 4 items are adapted from Venkatraman & Ramanujam (1986), covering indicators such as revenue growth, profitability, market expansion, and overall business success relative to competitors. Social impact (SOI) refers to the extent to which a start-up generates positive changes for individuals and communities. The measurement of 4 items is adapted from social impact literature (Rawhouser et al., 2019). Items assess improvements in community well-being, problem-solving effectiveness, and perceived social value created by the firm.

3.2 Sample population and data collection

This study employs a quantitative survey to collect data from student-led start-ups in Vietnam. The target population consists of founders, co-founders, and key members of start-ups operating in universities and colleges, particularly in major entrepreneurial hubs as Hanoi and Ho Chi Minh City. Student start-ups were selected because they often operate with limited resources while actively engaging with stakeholders and community-oriented initiatives. A purposive sampling technique was adopted to ensure that respondents had direct involvement in managing or operating a student start-up. Data were collected through an online questionnaire distributed via entrepreneurship centres, innovation hubs, start-up competitions, and university entrepreneurial networks. Prior to the main survey, a pilot test was conducted to improve the clarity and relevance of the questionnaire items.

Following the recommendations for structural equation modelling (SEM), a minimum sample size of 250 respondents was considered appropriate for this study. A total of 297 valid responses were collected and retained for analysis, which satisfies the sample size requirements and provides sufficient statistical power for hypothesis testing. To reduce common method bias, respondents were assured of anonymity and informed that the survey was conducted solely for academic purposes.

3.3 Data analysis

The collected data were analysed using SmartPLS3. First, descriptive statistical analysis was conducted to examine the demographic characteristics of respondents and the distribution of variables. Subsequently, Partial Least Squares Structural Equation Modelling (PLS-SEM) was employed to assess the measurement model and test the proposed hypotheses. The measurement model was evaluated through reliability and validity tests, including factor loadings, Cronbach's alpha, composite reliability (CR), average variance extracted (AVE), and discriminant validity. The structural model was then assessed using path coefficients, coefficients of determination (R^2), and bootstrapping with 5,000 resamples to determine the significance of the hypothesised relationships.

4.0 FINDINGS AND DISCUSSION

4.1 Descriptive statistics result

Table 1 presents the demographic characteristics of the 297 respondents participating in this study. Regarding their roles within the start-ups, co-founders constituted the largest proportion of respondents, accounting for 45.8% ($n = 136$). This was followed by key members of the management team, representing 31.3% ($n = 93$), while founders accounted for 22.9% ($n = 68$). The distribution indicates that most respondents were actively involved in strategic and operational activities within their ventures, suggesting that they possessed adequate knowledge to evaluate the business practices and outcomes examined in this study. In terms of gender, the sample was relatively balanced, with 54.5% ($n = 162$) male respondents and 45.5% ($n = 135$) female respondents. This distribution reflects the growing participation of both male and female students in entrepreneurial activities in Vietnam.

With respect to age, the majority of respondents were between 20 and 22 years old, accounting for 50.2% ($n = 149$) of the sample. Respondents under 20 years old represented 22.9% ($n = 68$), while

those aged between 23 and 25 years accounted for 21.5% (n = 64). Only 5.4% (n = 16) were above 25 years old. These findings indicate that most participants were university-aged entrepreneurs who were at an early stage of their entrepreneurial journey. Regarding educational level, undergraduate students dominated the sample, accounting for 81.1% (n = 241), whereas postgraduate students represented 18.9% (n = 56). This result is consistent with the focus of the study on student-led start-ups, which are primarily established by undergraduate students.

In terms of entrepreneurial experience, 39.4% (n = 117) of respondents had operated their start-ups for less than one year, while 36.7% (n = 109) reported one to two years of experience. Respondents with more than two years of entrepreneurial experience accounted for 23.9% (n = 71). This distribution suggests that the majority of ventures were in their early stages of development, which is typical of student entrepreneurship. Finally, technology and digital services represented the largest business sector in the sample, accounting for 30.0% (n = 89), followed by e-commerce (20.9%, n = 62) and education (18.2%, n = 54). Food and beverage ventures accounted for 12.8% (n = 38), while social and environmental enterprises represented 9.8% (n = 29). The remaining 8.4% (n = 25) operated in other sectors. This sectoral distribution reflects the diversity of student entrepreneurial activities in Vietnam and highlights the prominence of technology-based ventures within the contemporary start-up ecosystem.

Table 1: Demographics of respondents (n = 297)

<i>Characteristics</i>		<i>Frequency</i>	<i>Percentage (%)</i>
Gender	Male	162	54.5
	Female	135	45.5
Position	Founder	68	22.9
	Co-founder	136	45.8
	Key member	93	31.3
Age	Under 20 years	68	22.9
	20–22 years	149	50.2
	23–25 years	64	21.5
	Above 25 years	16	5.4
Educational level	Undergraduate	241	81.1
	Postgraduate	56	18.9
Start-up experience	Less than 1 year	117	39.4
	1–2 years	109	36.7
	More than 2 years	71	23.9
Business sector	Technology/Digital Services	89	30.0

	E-commerce	62	20.9
	Education	54	18.1
	Food and Beverage	38	12.8
	Social/Environmental	29	9.8
	Others	25	8.4

Source: Authors' analysis

4.2 Scale reliability and validity assessment

The measurement model was assessed in terms of internal consistency reliability, convergent validity, and discriminant validity following the guidelines of Hair et al. (2022) for PLS-SEM analysis. Regarding internal consistency reliability, Table 2 shows that all constructs achieved satisfactory Cronbach's alpha values ranging from 0.833 to 0.962, exceeding the recommended threshold of 0.70 (Nunnally & Bernstein, 1994). In addition, composite reliability (CR) values ranged from 0.886 to 0.973, which are above the acceptable level of 0.70 and below the upper limit of 0.95, indicating good reliability without redundancy issues (Hair et al., 2022). The rho_A values further confirmed the internal consistency of the constructs.

Table 2: Construct reliability and convergent validity

	<i>Cronbach's Alpha</i>	<i>rho_A</i>	<i>Composite Reliability</i>	<i>Average Variance Extracted (AVE)</i>
CVO	0.833	0.872	0.886	0.661
SIC	0.933	0.943	0.952	0.833
SPO	0.962	0.963	0.973	0.899
COE	0.958	0.969	0.969	0.887
SVC	0.936	0.937	0.954	0.839
ISG	0.925	0.920	0.944	0.809
BPF	0.838	0.851	0.892	0.676
SOI	0.873	0.877	0.913	0.724

Source: Data analysis by SmartPLS3

Convergent validity was evaluated using Average Variance Extracted (AVE). As shown in Table 2, all constructs demonstrated AVE values between 0.661 and 0.899, exceeding the recommended threshold of 0.50 (Fornell & Larcker, 1981). This indicates that each construct explains more than 50% of the variance in its indicators, confirming adequate convergent validity.

Discriminant validity was assessed using two complementary approaches, namely the Fornell-Larcker criterion and the Heterotrait-Monotrait ratio (HTMT), as recommended in PLS-SEM literature (Fornell & Larcker, 1981; Henseler et al., 2015). As shown in Table 3, the Fornell-Larcker criterion indicates that the square root of the Average Variance Extracted (AVE) for each

construct is greater than its correlations with other constructs in the model. For example, the square root of AVE for Sustainable Value Creation (0.916) is higher than its highest correlation with Community Value Orientation (0.759). Similarly, Business Performance (0.822) shows stronger variance with itself compared to its correlations with other constructs, such as Sustainable Value Creation (0.586) and Stakeholder Inclusiveness (0.580). These results confirm that each construct shares more variance with its own indicators than with other constructs, supporting discriminant validity at the construct level. However, although the Fornell-Larcker criterion provides initial evidence of discriminant validity, recent studies suggest that it may not be sufficient on its own to detect cross-loading issues (Henseler et al., 2015). Therefore, the HTMT ratio was further examined as a more robust criterion.

Table 3: Fornell-Larcker Criterion

	BPF	COE	CVO	ISG	SIC	SOI	SPO	SVC
BPF	0.822							
COE	0.513	0.942						
CVO	0.508	0.451	0.813					
ISG	0.169	0.421	0.014	0.899				
SIC	0.580	0.477	0.116	0.537	0.913			
SOI	0.499	0.241	0.629	0.002	0.282	0.851		
SPO	0.152	0.425	0.080	0.400	0.430	0.302	0.948	
SVC	0.586	0.475	0.759	0.120	0.288	0.629	0.171	0.916

Source: Data analysis by SmartPLS3

As reported in Table 4, all HTMT values are below the conservative threshold of 0.85, which is widely recommended for conceptually distinct constructs (Kline, 2015). The highest HTMT value is observed between Community Value Orientation and Sustainable Value Creation (0.841), which remains slightly below the threshold, indicating no serious discriminant validity concerns. All other HTMT values are substantially lower, ranging from 0.035 to 0.694, further confirming that the constructs are empirically distinct. Overall, the combined results from Table 3 and Table 4 provide strong evidence of discriminant validity, demonstrating that each construct in the model captures a unique theoretical dimension without significant overlap.

Table 4: Heterotrait-Monotrait Ratio (HTMT)

	BPF	COE	CVO	ISG	SIC	SOI	SPO	SVC
BPF								
COE	0.571							
CVO	0.611	0.560						
ISG	0.170	0.439	0.035					
SIC	0.646	0.505	0.130	0.584				
SOI	0.573	0.254	0.677	0.054	0.314			
SPO	0.168	0.441	0.106	0.430	0.460	0.330		
SVC	0.661	0.499	0.841	0.121	0.304	0.694	0.180	

Source: Data analysis by SmartPLS3

4.3 Model assessment and discussions

The structural model was assessed using bootstrapping with 5,000 resample's. The results of hypothesis testing are presented in Table 5, while effect sizes (f^2) are reported in Table 6. In addition, the model demonstrates satisfactory explanatory power, with adjusted R^2 values of 0.597 for Business Performance (BPF) and 0.573 for Social Impact (SOI), indicating a moderate to substantial level of variance explained (Hair et al., 2022).

Regarding Business Performance (BPF), Community Value Orientation (CVO) has a positive and significant effect ($\beta = 0.194$, $p < 0.05$), supporting H1. This finding is consistent with Creating Shared Value and prior study by Dat & Hue (2026) suggesting that aligning business activities with community needs enhances legitimacy and customer support, thereby improving performance. In the context of Vietnamese student start-ups, this result reflects the increasing importance of social legitimacy and community trust in early-stage entrepreneurial success.

Stakeholder Inclusiveness (SIC) shows the strongest positive effect on business performance ($\beta = 0.564$, $p < 0.001$), strongly supporting H2. This result aligns with Stakeholder Theory and Nguyen & Adomako, (2022) confirming that engaging stakeholders provides access to critical resources such as knowledge, mentorship, and market opportunities. The relatively high effect size ($f^2 = 0.469$) further confirms SIC as the most influential driver of business performance among all constructs.

Community Engagement (COE) ($\beta = 0.185$, $p < 0.01$) and Sustainable Value Creation (SVC) ($\beta = 0.237$, $p < 0.05$) both significantly influence business performance, supporting H4 and H5 respectively. The results respectively support Hermawan et al. (2024); Stubbs & Cocklin (2008) and Bocken et al. (2014). These findings suggest that continuous interaction with communities and long-term sustainability orientation contribute to stronger performance outcomes. This is particularly relevant in Vietnam, where start-ups often rely on strong relational networks and ecosystem support to compensate for resource limitations.

However, Social Problem-Solving Orientation (SPO) shows a significant but negative relationship with business performance ($\beta = -0.153$, $p < 0.05$), leading to the rejection of H3. This goes against the study by Coelho et al. (2023). Similarly, Innovation for Social Good (ISG) also has a significant negative effect ($\beta = -0.182$, $p < 0.001$), rejecting H6. These unexpected findings suggest a potential tension between social mission orientation and short-term business performance. One possible explanation is that student start-ups focusing heavily on social problem-solving and social innovation may face higher costs, slower monetisation, and limited market scalability. This reflects the inherent conflict between social logic and market logic in early-stage ventures, especially in resource-constrained environments such as Vietnam.

Table 5: Structural equation modelling results estimates and hypothesis conclusion

<i>Paths</i>	<i>Original Sample (O)</i>	<i>Sample Mean (M)</i>	<i>Standard Deviation (STDEV)</i>	<i>T Statistics (O/STDEV)</i>	<i>P Values</i>	<i>Decision</i>
H1: CVO -> BPF	0.194	0.184	0.094	2.063	0.040	Supported
H2: SIC -> BPF	0.564	0.565	0.069	8.198	0.000	Supported
H3: SPO -> BPF	-0.153	-0.148	0.062	2.471	0.014	Not supported
H4: COE -> BPF	0.185	0.181	0.065	2.847	0.005	Supported
H5: SVC -> BPF	0.237	0.248	0.098	2.406	0.017	Supported
H6: ISG -> BPF	-0.182	-0.174	0.052	3.507	0.000	Not supported
H7: CVO -> SOI	0.483	0.481	0.092	5.255	0.000	Supported
H8: SIC -> SOI	0.241	0.240	0.067	3.599	0.000	Supported
H9: SPO -> SOI	0.301	0.297	0.064	4.711	0.000	Supported
H10: COE -> SOI	-0.290	-0.288	0.064	4.539	0.000	Not supported
H11: SVC -> SOI	0.300	0.303	0.079	3.798	0.000	Supported
H12: ISG -> SOI	-0.172	-0.168	0.064	2.706	0.007	Not supported
Adjusted R ² : BPF = 0.597; SOI = 0.573						

Source: Data analysis by SmartPLS3

For Social Impact (SOI), Community Value Orientation has a strong positive effect ($\beta = 0.483$, $p < 0.001$), supporting H7. It supports the study of Saebi et al. (2019). This finding confirms that firms prioritising community welfare are more effective in generating meaningful social outcomes, consistent with social entrepreneurship literature.

Stakeholder Inclusiveness also positively influences social impact ($\beta = 0.241$, $p < 0.001$), supporting H8. This supports the argument that inclusive stakeholder engagement enhances coordination and improves the relevance of social initiatives, in line with prior research on collaborative value creation.

Social Problem-Solving Orientation significantly contributes to social impact ($\beta = 0.301$, $p < 0.001$), supporting H9. This result aligns with Social Entrepreneurship Theory, confirming that recognising and addressing social problems is a core mechanism for generating societal value.

Interestingly, Community Engagement shows a significant but negative relationship with social impact ($\beta = -0.290$, $p < 0.001$), leading to the rejection of H10. A possible explanation is that in the context of Vietnamese student start-ups, community engagement activities may be symbolic or informal rather than strategically structured, resulting in limited actual impact creation. It is also possible that excessive focus on engagement activities diverts resources away from more effective impact-generating mechanisms.

Sustainable Value Creation has a positive and significant effect on social impact ($\beta = 0.300$, $p < 0.001$), supporting H11. This indicates that long-term oriented business models contribute to more durable and meaningful social outcomes, consistent with sustainable business model literature.

Finally, Innovation for Social Good negatively affects social impact ($\beta = -0.172$, $p < 0.01$), rejecting H12. This finding may suggest that not all innovations labelled as “social” necessarily translate into measurable social outcomes. In emerging ecosystems such as Vietnam, some innovations may remain at the conceptual or prototype stage without sufficient scaling capacity, limiting their real-world social effectiveness.

Table 6: Effect sizes between variables

	BPF	SOI
COE	0,046	0,106
CVO	0,036	0,212
ISG	0,053	0,045
SIC	0,469	0,081
SPO	0,043	0,157
SVC	0,054	0,082

Source: Data analysis by SmartPLS3

As shown in Table 6, Stakeholder Inclusiveness has the largest effect size on Business Performance ($f^2 = 0.469$), confirming its dominant role in explaining firm success. Other variables such as Community Value Orientation ($f^2 = 0.036$) and Sustainable Value Creation ($f^2 = 0.054$) show small but meaningful effects. For Social Impact, Community Value Orientation demonstrates the strongest effect ($f^2 = 0.212$), followed by Social Problem-Solving Orientation ($f^2 = 0.157$). This indicates that while multiple factors contribute to social outcomes, value orientation and problem-solving remain the most critical drivers.

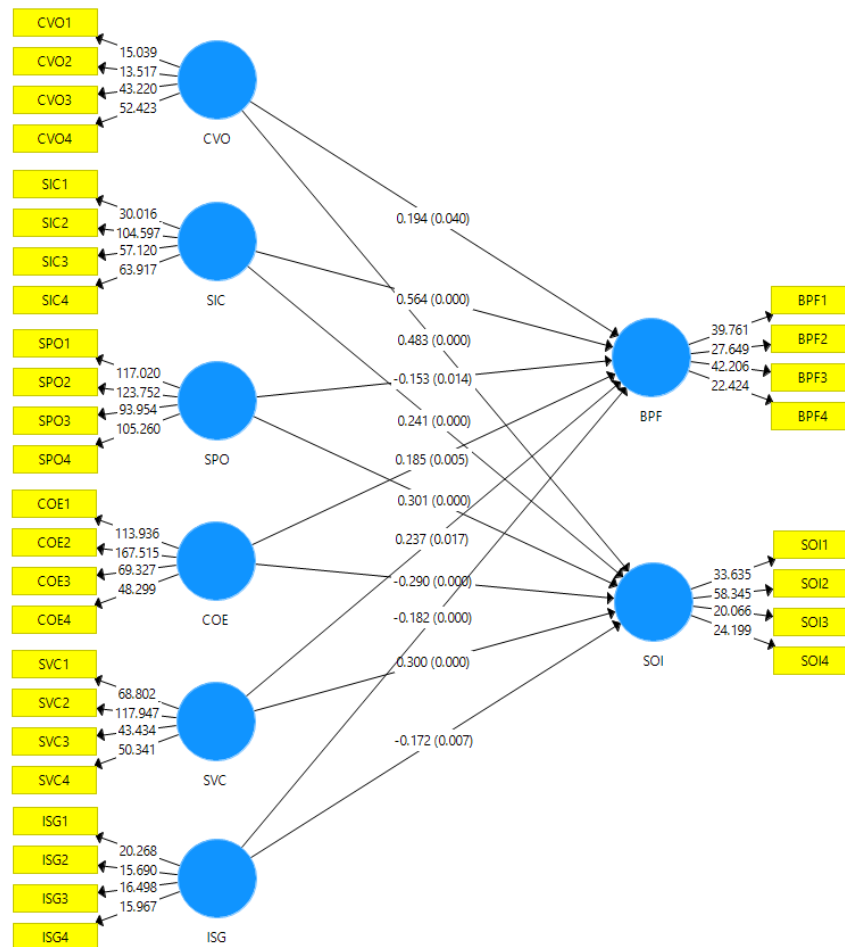


Figure 2: PLS bootstrapping model
 Source: Data analysis by SmartPLS3

5.0 IMPLICATIONS AND CONCLUSION

This study contributes to the growing literature on community-oriented entrepreneurship and SME business models by providing empirical evidence from student start-ups in Vietnam, an emerging entrepreneurial ecosystem that remains underexplored. The study extends existing theoretical perspectives derived from Stakeholder Theory, Social Entrepreneurship Theory, and the Creating Shared Value framework by validating a multidimensional conceptualization of community-oriented SME business models. Specifically, the findings demonstrate that community value orientation, stakeholder inclusiveness, community engagement, and sustainable value creation contribute positively to business performance, while community value orientation, stakeholder inclusiveness, social problem-solving orientation, and sustainable value creation significantly enhance social impact. Besides, the study reveals that not all community-oriented dimensions generate uniformly positive outcomes. The negative effects of social problem-solving orientation and innovation for social good on business performance, as well as the negative effects of community engagement and innovation for social good on social impact, suggest the existence of trade-offs between social objectives and organisational outcomes among resource-constrained student ventures. These findings enrich the literature by highlighting the complexity of balancing economic and social goals and challenge the assumption that all socially oriented practices automatically improve organisational performance. Finally, the study contributes to the limited

body of quantitative research on community-oriented business models by integrating multiple dimensions within a single framework and examining their simultaneous effects on both business performance and social impact. The model therefore provides a more comprehensive understanding of how community-oriented practices influence dual organisational outcomes in emerging economies.

The findings offer important implications for student entrepreneurs, universities, business incubators, and policy makers in Vietnam. Among all examined factors, stakeholder inclusiveness emerged as the strongest predictor of business performance. Student start-ups should therefore actively involve customers, mentors, universities, investors, and local communities in decision-making and business development activities. Such collaboration can facilitate access to resources, knowledge, market information, and legitimacy that are critical during the early stages of venture growth. The results also indicate that community value orientation and sustainable value creation positively influence both business performance and social impact. Consequently, student entrepreneurs should embed community needs and sustainability considerations into their core business strategies rather than treating them as separate social responsibility activities. Building business models that simultaneously create economic and social value may strengthen stakeholder trust, improve market acceptance, and enhance long-term sustainability.

Furthermore, the significant positive effect of social problem-solving orientation on social impact suggests that student ventures should prioritise addressing real societal challenges that are closely aligned with local community needs. However, because excessive focus on social problem-solving and social innovation may negatively affect business performance, entrepreneurs should carefully balance social missions with commercial viability. Innovative solutions should be evaluated not only for their social benefits but also for their scalability, resource requirements, and market potential. Based on these findings, a practical community-oriented start-up model for Vietnam should incorporate four core functions: (1) stakeholder co-creation to strengthen resource acquisition and business performance; (2) community value integration to align business objectives with local needs; (3) sustainable value creation to ensure long-term economic and social benefits; and (4) targeted social problem-solving to maximise social impact while maintaining operational feasibility. Such a model may help student start-ups achieve a more balanced combination of financial sustainability and societal contribution.

Several limitations should be acknowledged. First, the study employed a cross-sectional design, which restricts the ability to establish causal relationships over time. Future studies may adopt longitudinal approaches to examine how community-oriented business model dimensions influence venture development throughout different growth stages. Besides, the sample focused exclusively on student start-ups in Vietnam, which may limit the generalisability of the findings to other entrepreneurial contexts. Future research could extend the framework to non-student SMEs, social enterprises, or start-ups in other emerging economies. Moreover, the study examined only the direct effects of community-oriented business model dimensions. Future research may investigate potential mediating and moderating mechanisms, such as entrepreneurial orientation, organisational capabilities, resource availability, or institutional support, to provide a deeper understanding of the pathways through which community-oriented practices affect organisational outcomes.

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