LEADERSHIP AND ENTREPRENEURIAL CHARACTERISTICS AS DETERMINANTS OF SOCIAL ENTERPRISE EFFECTIVENESS AND SUSTAINABILITY IN UPPER NORTHERN THAILAND*

Pawinee Sawangmek[1], Wipawan Pisitwej[2] and Kajornatthapol Pongwiritthon[3]

[1-2]Faculty of Business Administration, Northern College, Thailand

[3]Faculty of Business Administration, Northern College, Thailand and IQRA Business School, University of Geomatika Malaysia

Corresponding author E-mail: tok2029@gmail.com

Received 23 June 2026; Revised 3 July 2026; Accepted 5 July 2026

Abstract

This study examined the influence of entrepreneurial characteristics and leadership styles on the effectiveness of social enterprises in Upper Northern Thailand. A quantitative research design was employed using survey data collected from 400 senior executives of social enterprises. The sample size was determined using Yamane's formula. Data were analyzed using descriptive statistics, Pearson's correlation analysis, and multiple regression analysis. The findings revealed that entrepreneurial characteristics and leadership styles significantly influenced social enterprise effectiveness. Ethical leadership, social responsibility, stakeholder management, and knowledge management showed significant positive relationships with organizational effectiveness, with ethical leadership emerging as the strongest predictor. The regression analysis indicated that entrepreneurial characteristics explained 70.5% of the variance in

* Pawinee Sawangmek, Wipawan Pisitwej and Kajornatthapol Pongwiritthon. (2026). Leadership And Entrepreneurial Characteristics As Determinants Of Social Enterprise Effectiveness And Sustainability In Upper Northern Thailand. Journal of Interdisciplinary Social Development, 4(5), 981-1002.; DOI: https://doi.org/10.

Website: https://so12.tci-thaijo.org/index.php/JISDIADP/

organizational effectiveness, while leadership styles explained 72.1%. In addition, socially responsible leadership, ethical leadership, and visionary leadership demonstrated significant positive effects on organizational performance. These findings suggest that value-based leadership and entrepreneurial capabilities are critical factors in enhancing the effectiveness and sustainability of social enterprises. The study provides empirical evidence that can support policymakers and practitioners in developing strategies to strengthen social enterprise performance and sustainable development.

Keywords: Social Entrepreneurship, Leadership, Entrepreneurial Characteristics, Sustainable Development, Social Enterprise Effectiveness

Introduction

Social enterprises have emerged as a critical organizational form for addressing complex societal challenges while maintaining economic viability. Unlike conventional businesses that primarily focus on profit maximization, social enterprises integrate economic objectives with social and environmental missions. This hybrid model enables organizations to achieve financial sustainability while simultaneously generating positive societal impact (Mair & Martí, 2006). In recent decades, the role of social enterprises has expanded significantly across both developed and developing economies, as governments, communities, and civil society organizations increasingly recognize their potential to contribute to the Sustainable Development Goals (SDGs). Accordingly, social enterprises are widely regarded as key institutional actors capable of bridging gaps between market mechanisms and social welfare systems (Nicholls, 2010). In Thailand, social enterprises have gained increasing prominence as mechanisms for promoting inclusive economic development and enhancing community resilience. The Upper Northern Region of Thailand represents a distinctive socio-economic and cultural context in which social enterprises serve as important

drivers of grassroots development. The region is characterized by cultural diversity, a high concentration of ethnic minority communities, and abundant natural resources that support community-based economic activities. However, it also faces persistent structural challenges, including geographic isolation, unequal access to economic opportunities, and environmental vulnerability (National Economic and Social Development Council [NESDC], 2022). Within this context, social enterprises play a crucial role in mobilizing local resources, strengthening community participation, and promoting sustainable livelihoods. Understanding the determinants of their effectiveness and sustainability is therefore of both academic and practical importance.

Entrepreneurial characteristics constitute one of the most significant factors influencing the success of social enterprises. Social entrepreneurs differ from conventional entrepreneurs in that they prioritize social value creation while maintaining financial sustainability (Dees, 1998). Prior research has identified key attributes of social entrepreneurs, including strong social commitment, visionary thinking, resilience, creativity in problem-solving, and the ability to mobilize networks and partnerships (Zahra et al., 2009). These characteristics enable social entrepreneurs to identify unmet community needs and develop innovative solutions to social and environmental challenges. In resource-constrained environments, particularly in rural and peripheral regions, such attributes become especially critical for organizational success.

In addition to entrepreneurial characteristics, leadership style plays a pivotal role in shaping organizational effectiveness in social enterprises. Leadership influences how organizations mobilize resources, manage stakeholder relationships, and pursue long-term strategic objectives. Among contemporary leadership theories, transformational leadership has received considerable attention due to its emphasis on vision articulation, inspirational motivation, and individualized consideration (Bass & Riggio, 2006). Such leadership fosters

organizational commitment and innovation. Moreover, servant leadership, which emphasizes ethical behavior, empathy, and service to others, aligns closely with the core values of social entrepreneurship (Greenleaf, 1977). In practice, leaders of social enterprises often adopt a hybrid approach that integrates elements of transformational and servant leadership to balance social missions with organizational performance.

Despite the growing body of literature on social entrepreneurship, several critical gaps remain. First, relatively limited research has examined the combined influence of entrepreneurial characteristics and leadership styles on the effectiveness and sustainability of social enterprises, particularly in developing regions. Second, much of the existing literature has focused on Western contexts, resulting in a lack of empirical evidence from Southeast Asia, where socio-cultural and institutional conditions differ significantly (Dacin et al., 2011). Third, prior studies often examine entrepreneurial characteristics and leadership styles independently, rather than integrating these constructs within a unified analytical framework. Addressing these gaps is particularly important in regions such as Upper Northern Thailand, where social enterprises operate in complex and resource-constrained environments.

From an interdisciplinary perspective, the study of social enterprises intersects with multiple fields, including entrepreneurship, leadership studies, sustainability science, and development studies. Sustainability science emphasizes the interconnectedness of social, economic, and environmental systems and highlights the importance of integrated approaches to development challenges (Folke et al., 2010). Social enterprises exemplify such integration by simultaneously pursuing economic viability, social inclusion, and environmental sustainability. Therefore, examining the leadership and entrepreneurial characteristics that influence their effectiveness can provide valuable insights into sustainable development at the local level.

Accordingly, this study aims to investigate the influence of entrepreneurial characteristics and leadership styles on the effectiveness of social enterprises in Upper Northern Thailand. Specifically, it examines how key entrepreneurial attributes ethical leadership, social responsibility, stakeholder engagement, and knowledge management affect organizational performance. It also evaluates the role of leadership styles, including socially responsible leadership, ethical leadership, strategic leadership, and visionary leadership. By integrating perspectives from entrepreneurship, leadership theory, and sustainability research, this study contributes to the growing body of interdisciplinary scholarship on social enterprise development. The findings are expected to offer both theoretical contributions and practical implications for policymakers, practitioners, and community leaders seeking to enhance the sustainability and effectiveness of social enterprises in Thailand and the broader Southeast Asian context. Decision-making and financial sustainability in provincial Thailand.

Objectives

1. To examine the level of entrepreneurial characteristics, leadership styles, and organizational effectiveness among social enterprises in Upper Northern Thailand.

2. To investigate the relationship between entrepreneurial characteristics and organizational effectiveness among social enterprises in Upper Northern Thailand.

3. To investigate the relationship between leadership styles and organizational effectiveness among social enterprises in Upper Northern Thailand.

4. To determine the influence of entrepreneurial characteristics on organizational effectiveness among social enterprises in Upper Northern Thailand using multiple regression analysis.

5. To determine the influence of leadership styles on organizational effectiveness among social enterprises in Upper Northern Thailand using multiple regression analysis.

Literature Review

Leadership plays a critical role in determining the success and sustainability of social enterprises. According to Trait Theory, effective leaders possess distinctive characteristics such as self-confidence, integrity, decisiveness, communication skills, and motivation that differentiate them from non-leaders (Northouse, 2018). Kirkpatrick and Locke (1991) further emphasized that leadership effectiveness is associated with traits including drive, honesty, cognitive ability, self-confidence, and domain knowledge. In the context of social enterprises, leadership traits are particularly important because these organizations operate in complex environments where social impact and financial sustainability must be pursued simultaneously. Unlike conventional entrepreneurs who focus primarily on profit generation, social entrepreneurs prioritize social value creation while maintaining economic viability (Dees, 1998). Consequently, effective social enterprise leaders require not only managerial competence but also empathy, social awareness, ethical commitment, and the ability to engage diverse stakeholders. Previous studies have shown that visionary thinking, resilience, and ethical behavior enable social entrepreneurs to identify social problems, mobilize resources, and develop innovative solutions that contribute to sustainable community development (Bornstein & Davis, 2010).

Leadership theory has evolved considerably from trait-based approaches to behavioral, situational, and transformational perspectives. Among contemporary theories, transformational leadership has gained significant attention because of its emphasis on vision, inspiration, innovation, and organizational change (Bass & Riggio, 2006). Transformational leaders motivate

followers through idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. These leadership behaviors foster commitment, creativity, and organizational performance. In social enterprises, transformational leadership is particularly relevant because employees and volunteers are often motivated by social missions rather than financial rewards. In addition, servant leadership has become increasingly associated with social entrepreneurship. Greenleaf (1977) described servant leadership as a leadership philosophy that prioritizes serving others, promoting empathy, ethical behavior, and stakeholder well-being. Recent studies suggest that leadership effectiveness in social enterprises often emerges from the integration of transformational and servant leadership. While transformational leadership supports innovation and strategic direction, servant leadership strengthens ethical values, trust, and stakeholder relationships. This hybrid leadership approach is particularly beneficial for mission-driven organizations seeking to balance social impact with economic sustainability.

Organizational effectiveness refers to an organization's ability to achieve its goals through the efficient utilization of available resources. Traditional management theory evaluates effectiveness through planning, organizing, leading, and controlling functions (Robbins & Coulter, 2018). Drucker (2007) argued that effectiveness should be assessed based on meaningful outcomes rather than routine activities. In social enterprises, measuring effectiveness is more complex because organizations pursue both financial sustainability and social impact. Therefore, performance evaluation requires multidimensional indicators that include economic outcomes, social value creation, community empowerment, and stakeholder satisfaction. The Balanced Scorecard framework developed by Kaplan and Norton (1996) provides a comprehensive approach by incorporating financial and non-financial dimensions, including customer outcomes, internal processes, and learning and growth. In the context of Upper Northern Thailand,

organizational effectiveness is closely linked to community development, employment generation, cultural preservation, and local economic resilience.

Social enterprises play a significant role in sustainable development because they integrate entrepreneurial activities with social missions. These organizations address social and environmental challenges through innovation, opportunity recognition, and resource mobilization while maintaining financial viability (Zahra et al., 2009). Their contributions align with the principles of sustainable development, which emphasize the integration of economic growth, social equity, and environmental sustainability. In Upper Northern Thailand, social enterprises frequently operate in sectors such as community-based tourism, sustainable agriculture, and local handicrafts. By combining indigenous knowledge, cultural traditions, and entrepreneurial innovation, they contribute to both economic development and cultural preservation. Effective leadership is therefore essential for ensuring that social enterprises achieve their social, environmental, and economic objectives simultaneously.

The literature also highlights strong relationships among leadership traits, entrepreneurial characteristics, and organizational effectiveness. Leadership attributes such as ethical integrity, social responsibility, and visionary thinking enhance organizational legitimacy and stakeholder trust. Similarly, entrepreneurial competencies including stakeholder engagement and knowledge management promote innovation, adaptability, and organizational resilience. In resource-constrained environments, leaders must effectively mobilize resources, coordinate stakeholders, and develop innovative responses to complex social challenges. Dees (1998) and Zahra et al. (2009) argued that social entrepreneurs possessing strong leadership capabilities are better positioned to align organizational strategies with community needs while maintaining sustainable performance. Therefore, ethical leadership, social responsibility, stakeholder engagement, and knowledge management are expected to contribute significantly to organizational effectiveness and long-term sustainability in social enterprises.

Hypotheses Development. Based on the theoretical foundations discussed above, the following hypotheses are proposed: H1: Entrepreneurial characteristics are positively associated with the organizational effectiveness of social enterprises. H2: Leadership styles are positively associated with the organizational effectiveness of social enterprises.

Methodology

Research Design. This study employed a quantitative research design to examine the influence of entrepreneurial characteristics and leadership styles on the effectiveness and long-term sustainability of social enterprises in Upper Northern Thailand. The conceptual framework integrates perspectives from social entrepreneurship and leadership theory to explain how entrepreneurial traits and leadership practices contribute to organizational outcomes. The study focuses on three primary constructs: (1) entrepreneurial characteristics, (2) leadership styles, and (3) organizational effectiveness. Entrepreneurial characteristics were conceptualized as a set of personal and managerial attributes that enable social entrepreneurs to effectively manage mission-driven organizations. Based on prior studies, four dimensions were examined: ethical leadership, social responsibility, stakeholder engagement, and knowledge management (Dees, 1998; Zahra et al., 2009). Leadership styles were operationalized across four dimensions: socially responsible leadership, ethical leadership, strategic leadership, and visionary leadership, reflecting leadership behaviors commonly associated with social enterprises (Bass & Riggio, 2006; Yukl, 2013). Organizational effectiveness was defined as the ability of social enterprises to achieve both economic and social objectives, including operational performance, social impact, and long-term sustainability.

Population and Sampling. The target population consisted of 2,568 senior executives working in social enterprises located in Upper Northern

Thailand. These enterprises are registered with the Office of Social Enterprise Promotion and operate across various sectors, including community enterprises, social innovation ventures, and mission-driven businesses.

Senior executives were selected as the unit of analysis due to their direct involvement in strategic decision-making and organizational leadership. The sample size was determined using Yamane's (1973) formula for finite populations, resulting in a required sample of 400 respondents. A multi-stage sampling approach was employed to enhance representativeness. First, purposive sampling was used to identify individuals holding leadership or managerial roles. Second, quota sampling ensured proportional representation across enterprise types and demographic characteristics. Finally, convenience sampling was applied to facilitate data collection. A total of 400 valid responses were obtained, yielding a response rate of 15.58%. Although relatively modest, this rate is consistent with survey-based studies involving senior executives and organizational leaders (Baruch & Holtom, 2008).

Data Collection and Measurement. Data were collected a structured questionnaire developed from established theoretical frameworks and prior empirical research in social entrepreneurship and leadership. The instrument consisted of four sections: (1) Demographic information (e.g., gender, age, education, marital status, and work experience), (2) Entrepreneurial characteristics measured using 27 items across four dimensions: ethical leadership, social responsibility, stakeholder engagement, and knowledge management, (3) Leadership styles assessed 2 3 items reflecting socially responsible, ethical, strategic, and visionary leadership and (4) Organizational effectiveness measured using 10 items covering performance, problem-solving capability, and sustainability outcomes . All items were rated on a six-point Likert scale ranging from 1 (strongly disagree) to 6 (strongly agree). The use of an even-numbered scale was intended to reduce central tendency bias and encourage more discriminative responses.

Instrument Validity and Reliability. Content validity was established through expert evaluation by three scholars in entrepreneurship and management. The Item-Objective Congruence (IOC) index yielded an overall score of 0.80, indicating acceptable alignment between the measurement items and research objectives. A pilot test was conducted with 30 respondents to assess reliability. Internal consistency was evaluated using Cronbach's alpha coefficient, which yielded a value of 0.985, indicating excellent reliability. This result confirms a high level of internal consistency among the measurement items.

Data Analysis. Data analysis was conducted using both descriptive and inferential statistical techniques. Descriptive statistics, including frequencies, means, and standard deviations, were used to summarize demographic characteristics and variable distributions. Pearson's product moment correlation analysis was employed to examine the relationships among entrepreneurial characteristics, leadership styles, and organizational effectiveness. To test the proposed hypotheses, multiple linear regression analysis was conducted to assess the predictive effects of entrepreneurial characteristics and leadership styles on organizational effectiveness. Prior to regression analysis, multicollinearity diagnostics were performed to ensure the independence of predictor variables. This analytical approach provides robust empirical evidence on how leadership and entrepreneurial capabilities influence the performance and sustainability of social enterprises. By integrating statistical analysis with established theoretical frameworks, the study offers a rigorous methodological foundation for examining social enterprise effectiveness in emerging economies.

Research Ethics. This study adhered to established ethical standards for research involving human participants. Ethical approval was obtained from the Human Research Ethics Committee of Northern College (Approval No. NRED 0022/2568) prior to data collection. Participants were provided with informed

consent forms outlining the study's objectives, voluntary participation, confidentiality protections, and the right to withdraw at any time without penalty. All data were anonymized and securely stored to ensure participant privacy and confidentiality.

Results

Demographic Characteristics of Respondents. This study analyzed responses from 400 senior executives representing social enterprises operating in the Upper Northern Region of Thailand. Understanding the demographic characteristics of respondents is essential for interpreting the results of the statistical analyses and ensuring that the sample adequately represents the leadership profile of social enterprises in the region. The majority of respondents were male, accounting for 237 individuals or 59.0 percent of the sample, while female respondents accounted for 163 individuals or 41.0 percent. In terms of age distribution, the largest group of respondents fell within the 30–39-year age range, representing 154 individuals or 38.3 percent of the sample. Respondents aged between 20 and 29 years accounted for 24.5 percent, while those aged 40–49 years represented 23.0 percent. Participants aged 50 years and above accounted for 14.0 percent of the sample. Regarding educational attainment, 179 respondents (44.5 percent) held a bachelor's degree, while 146 respondents (36.5 percent) possessed a master's degree. A smaller proportion of respondents (19.0 percent) held doctoral degrees. These findings indicate that the majority of social enterprise leaders in the region possess formal higher education qualifications. With respect to enterprise types, the largest proportion of respondents (51.0 percent) operated community-based enterprises, which are commonly associated with grassroots economic development initiatives. Social business enterprises accounted for 32.0 percent of the sample, while nonprofit social enterprises represented 17.0 percent. Regarding years of operation, 22.9 percent of

respondents reported that their enterprises had been operating for approximately six years, while 33.0 percent had operated for between three and five years. These demographic findings provide an important foundation for understanding the characteristics of social entrepreneurs in Upper Northern Thailand and support the validity of the subsequent statistical analysis.

Descriptive Analysis of Leadership Characteristics. The descriptive analysis examined leadership characteristics across four key dimensions: ethical leadership, socially responsible leadership, strategic leadership, and visionary leadership. The results indicated that respondents generally reported high levels of leadership behavior across all four dimensions. The overall leadership score averaged 5.12 on a six-point Likert scale, with a standard deviation of 0.37, suggesting that respondents perceived themselves as demonstrating leadership behaviors at a relatively high level. Ethical leadership recorded the highest mean score (Mean = 5.18), indicating that social enterprise leaders place strong emphasis on integrity, fairness, and transparency in decision-making processes. Socially responsible leadership also recorded a high mean score (Mean = 5.11), reflecting the commitment of social entrepreneurs to social impact and community development. Visionary leadership received a mean score of 5.13, suggesting that respondents were strongly motivated to pursue long-term social transformation goals. Strategic leadership recorded a slightly lower mean score (Mean = 5.07), indicating that while planning and strategic thinking remain important leadership components, social entrepreneurs may prioritize ethical and socially responsible leadership behaviors more strongly. These findings highlight the strong ethical and social orientation of leadership practices among social entrepreneurs in Northern Thailand, which is consistent with previous research emphasizing the value-driven nature of social entrepreneurship.

Correlation Analysis. Pearson correlation analysis was conducted to examine the relationships among entrepreneurial characteristics and the

effectiveness of social enterprises. The results indicated significant positive correlations among the independent variables and the dependent variable at the 0.05 level of statistical significance. The correlation coefficients ranged between 0.61 and 0.80, indicating moderately strong relationships between entrepreneurial characteristics and social enterprise effectiveness. Ethical leadership demonstrated the strongest correlation with social enterprise effectiveness (r = 0.80), followed by social responsibility (r = 0.74) and knowledge management (r = 0.73). Stakeholder management showed a moderate correlation with social enterprise effectiveness (r = 0.61). These results suggest that entrepreneurial leadership attributes play an important role in shaping the effectiveness of social enterprises. Y = 0.708 + 0.478(X1) + 0.274(X2) – 0.329(X3) + 0.252(X4)

Table 1 Correlation Matrix of Entrepreneurial Characteristics and Social Enterprise Effectiveness

Variables	X1	X2	X3	X4	Y
Ethical Leadership (X1)	1				
Social Responsibility (X2)	0.72	1			
Stakeholder Management (X3)	0.68	0.74	1		
Knowledge Management (X4)	0.76	0.71	0.66	1	
Social Enterprise Effectiveness (Y)	0.80	0.74	0.61	0.73	1

Note. All correlations significant at p < .05.

Multiple Regression Analysis: Entrepreneurial Characteristics. Multiple regression analysis was conducted to determine the influence of entrepreneurial characteristics on social enterprise effectiveness. Prior to the regression analysis, multicollinearity diagnostics were conducted. The results showed that tolerance values were greater than 0.01 and Variance Inflation Factor (VIF) values were below 10, indicating that multicollinearity was within acceptable limits. The

regression model produced an R^2 value of 0.705, indicating that 70.5 percent of the variance in social enterprise effectiveness could be explained by entrepreneurial characteristics. The model was statistically significant ($F = 236.937$, $p < .05$). Ethical leadership had the strongest positive influence on organizational effectiveness (B = 0.474), followed by social responsibility (B = 0.274) and knowledge management (B = 0.252). Interestingly, stakeholder management demonstrated a statistically significant but negative relationship with social enterprise effectiveness (B = -0.329).

Table 2: Multiple Regression Results: Entrepreneurial Characteristics

Variable	B	SE	Beta	t	p	Tolerance	VIF
Constant	.708	.126		5.637	.000		
Ethical Leadership	.474	.078	.574	6.094	.000	.084	8.951
Social Responsibility	.274	.116	.362	2.357	.019	.032	9.731
Stakeholder Management	-.329	.077	-.427	-4.298	.000	.075	9.273
Knowledge Management	.252	.065	.320	3.885	.000	.109	9.147

Model Summary: $R = 0.840$, $R^2 = 0.705$, Adjusted $R^2 = 0.702$, $F = 236.937$, $p < .05$

Multiple Regression Analysis: Leadership Styles. A second regression model examined the influence of leadership styles on social enterprise effectiveness. The results indicated that the model explained 72.1 percent of the variance in organizational effectiveness ($R^2 = 0.721$). The regression model was statistically significant ($F = 256.709$, $p < .05$). Social responsibility leadership emerged as the strongest predictor of social enterprise effectiveness (B = 0.451), followed by ethical leadership (B = 0.151) and visionary leadership (B = 0.138). Strategic leadership was not statistically significant. Y (Effectiveness of Social Enterprises) = $0.631 + 0.451(X_{\mathbf{1}}) + 0.151(X_{\mathbf{2}}) + 0.138(X_{\mathbf{4}})$

Table 3 Multiple Regression Results: Leadership Styles

Variable	B	SE	Beta	t	p	Tolerance	VIF
Constant	.631	.113		5.606	.000		
Social Responsibility Leadership	.451	.077	.553	5.850	.000	.079	9.707
Ethical Leadership	.151	.063	.200	2.411	.016	.102	9.830
Strategic Leadership	-.050	.070	-.607	-.721	.471	.081	9.376
Visionary Leadership	.138	.052	.183	2.635	.009	.145	6.880

Model Summary: $R = 0.849$, $R^2 = 0.721$, Adjusted $R^2 = 0.718$, $F = 256.709$, $p < .05$

Discussion

The findings of this study provide robust empirical evidence that leadership characteristics play a pivotal role in shaping the effectiveness of social enterprises in Upper Northern Thailand. In particular, ethical leadership, social responsibility, stakeholder engagement, and knowledge management were identified as significant determinants of organizational performance and long-term sustainability. These findings reinforce the argument that leadership in social enterprises extends beyond conventional managerial competencies and is fundamentally grounded in ethical values, social commitment, and community engagement. Such attributes are especially critical in mission-driven organizations operating in complex environments where social impact and economic viability must be pursued simultaneously.

Among the examined variables, ethical leadership emerged as the strongest predictor of social enterprise effectiveness. This finding underscores the central role of integrity, transparency, and fairness in guiding organizational decision-making processes. Ethical leadership enhances trust among employees, stakeholders, and community members, which is essential for organizations that depend on legitimacy and collaborative relationships. This result is consistent with prior studies emphasizing the importance of ethical leadership in fostering organizational commitment and responsible governance (Avolio et al., 2009; Austin et al., 2006). In the context of social enterprises, ethical leadership functions not only as a moral foundation but also as a strategic asset that strengthens institutional credibility and long-term sustainability.

The findings also highlight the significant influence of social responsibility as a defining leadership characteristic. Social responsibility reflects the commitment of social entrepreneurs to address societal challenges and promote collective well-being beyond economic objectives. This result aligns with the dual-mission framework proposed by Mair and Martí (2006), which conceptualizes social enterprises as organizations that integrate economic sustainability with social transformation. In Upper Northern Thailand, where communities often face structural inequalities and environmental constraints, socially responsible leadership serves as a critical mechanism for linking entrepreneurial activities with broader development goals. Leaders who prioritize social responsibility are more likely to design inclusive and impact-oriented business models.

Interestingly, stakeholder engagement was found to have a statistically significant but negative relationship with organizational effectiveness. This unexpected finding suggests that stakeholder involvement, while generally beneficial, may introduce managerial complexity when not strategically coordinated. Social enterprises typically engage with a diverse range of stakeholders, including government agencies, local communities, donors, and

private sector actors. Although such engagement can facilitate resource mobilization and collaboration, excessive or poorly managed stakeholder involvement may lead to conflicting expectations, decision-making delays, and reduced organizational efficiency. This finding is consistent with prior research indicating that stakeholder relationships can simultaneously generate opportunities and tensions (Zahra et al., 2009). Therefore, the effectiveness of stakeholder engagement depends on leaders' capacity to balance competing interests while maintaining strategic coherence.

Another important contribution of this study lies in the role of knowledge management as a driver of organizational effectiveness. Knowledge management enhances an organization's ability to capture, share, and apply knowledge to improve innovation, problem-solving, and service delivery. In the context of Upper Northern Thailand, where local communities rely heavily on indigenous knowledge and cultural practices, the integration of traditional knowledge with modern management approaches becomes particularly valuable. This finding aligns with the Balanced Scorecard framework (Kaplan & Norton, 1996), which identifies organizational learning and knowledge development as critical components of long-term performance. Social enterprises that actively promote knowledge sharing are better equipped to adapt to dynamic socio-economic conditions and sustain their impact.

Taken together, these findings suggest that leadership in social enterprises should be conceptualized as an integrative and value-driven process. Effective leadership involves the alignment of ethical principles, social responsibility, stakeholder coordination, and knowledge-based strategies. The results provide strong support for the relevance of transformational and servant leadership frameworks in explaining leadership effectiveness in social enterprises. Transformational leadership enables leaders to articulate a compelling vision and inspire collective action, while servant leadership emphasizes ethical conduct, empathy, and service to the community (Bass & Riggio, 2006; Greenleaf, 1977).

The integration of these leadership approaches offers a comprehensive framework for understanding how social enterprises can achieve both social impact and organizational sustainability.

From a practical perspective, the findings offer several important implications. First, leadership development programs for social entrepreneurs should prioritize ethical decision-making, transparency, and accountability to strengthen organizational legitimacy. Second, social enterprises should embed social responsibility into their strategic planning processes to ensure alignment between economic activities and social objectives. Third, capacity-building initiatives should focus on enhancing leaders' abilities to communicate long-term visions and effectively manage stakeholder relationships. Strengthening knowledge management systems and stakeholder coordination mechanisms can further enhance organizational adaptability and sustainability.

This study also presents several directions for future research. Longitudinal studies are needed to examine how leadership characteristics influence the sustainability of social enterprises over time. Comparative research across different regions in Southeast Asia could provide deeper insights into the role of cultural and institutional contexts in shaping leadership practices. In addition, qualitative approaches, such as case studies and in-depth interviews, could offer richer insights into the lived experiences of social entrepreneurs. Future studies may also incorporate additional variables, including organizational culture, innovation capability, and digital transformation, to further explain variations in social enterprise effectiveness.

In conclusion, this study demonstrates that ethical leadership, social responsibility, stakeholder engagement, and knowledge management are critical drivers of social enterprise effectiveness in Upper Northern Thailand. By integrating perspectives from leadership theory and social entrepreneurship, the study advances understanding of how leadership practices influence organizational

sustainability and social impact. Strengthening leadership capacity in social enterprises is therefore essential for promoting inclusive development and advancing sustainable social change in Thailand and the broader Southeast Asian context.

Recommendation

Based on the findings of this study, several recommendations can be proposed to enhance the effectiveness and sustainability of social enterprises in Upper Northern Thailand. First, policymakers and relevant agencies should promote leadership development programs that emphasize ethical leadership, social responsibility, and visionary thinking, as these factors were found to significantly influence organizational effectiveness. Such programs should focus on strengthening leaders' capabilities in ethical decision-making, stakeholder communication, and long-term strategic planning.

Second, social enterprises should invest in knowledge management systems and organizational learning practices to improve innovation, problem-solving capacity, and operational performance. Encouraging the sharing of best practices and lessons learned can enhance organizational adaptability and resilience in rapidly changing environments.

Third, while stakeholder engagement remains essential, social enterprise leaders should establish clear stakeholder management strategies to minimize conflicts of interest and improve coordination among various stakeholder groups. Effective stakeholder governance mechanisms can help organizations balance diverse expectations while maintaining their social missions and operational efficiency.

Finally, future initiatives should foster collaborative networks among social enterprises, government agencies, academic institutions, and community

organizations to support sustainable development and maximize social impact across the region.

References

Austin, J. E., Stevenson, H., & Wei-Skillern, J. (2006). Social and commercial entrepreneurship: Same, different, or both? Entrepreneurship Theory and Practice, 30(1), 1-22.

Avolio, B. J., Walumbwa, F. O., & Weber, T. J. (2009). Leadership: Current theories, research, and future directions. Annual Review of Psychology, 60, 421-449.

Baruch, Y., & Holtom, B. C. (2008). Survey response rate levels and trends in organizational research. Human Relations, 61(8), 1139-1160.

Bass, B. M., & Riggio, R. E. (2006). Transformational leadership (2nd ed.). Psychology Press.

Bornstein, D., & Davis, S. (2010). Social entrepreneurship: What everyone needs to know. Oxford University Press.

Dacin, P. A., Dacin, M. T., & Matear, M. (2011). Social entrepreneurship: Why we don't need a new theory and how we move forward from here. Academy of Management Perspectives, 25(3), 37-57.

Dees, J. G. (1998). The meaning of social entrepreneurship. Stanford University.

Drucker, P. F. (2007). Management challenges for the 21st century. Routledge.

Folke, C., Carpenter, S. R., Walker, B., Scheffer, M., Chapin, T., & Rockström, J. (2010). Resilience thinking: Integrating resilience, adaptability and transformability. Ecology and Society, 15(4), 20.

Greenleaf, R. K. (1977). Servant leadership: A journey into the nature of legitimate power and greatness. Paulist Press.

Kaplan, R. S., & Norton, D. P. (1996). The balanced scorecard: Translating strategy into action. Harvard Business School Press.

Kirkpatrick, S. A., & Locke, E. A. (1991). Leadership: Do traits matter? Academy of Management Executive, 5(2), 48-60.

Mair, J., & Martí, I. (2006). Social entrepreneurship research: A source of explanation, prediction, and delight. Journal of World Business, 41(1), 36-44.

Nicholls, A. (2010). The legitimacy of social entrepreneurship: Reflexive isomorphism in a pre-paradigmatic field. Entrepreneurship Theory and Practice, 34(4), 611-633.

Northouse, P. G. (2018). Leadership: Theory and practice (8th ed.). Sage Publications.

Office of the National Economic and Social Development Council. (2022). The Thirteenth National Economic and Social Development Plan (2023–2027). NESDC.

Pongwiritthon, K., Prayoon, A., & Kamolthip, K. (2023). Investigating the social entrepreneurial intention among Thai population. Asian Administration and Management Review, 6(2), 107-118.

Robbins, S. P., & Coulter, M. (2018). Management (15th ed.). Pearson Education.

Yamane, T. (1973). Statistics: An introductory analysis (3rd ed.). Harper & Row.

Yukl, G. (2013). Leadership in organizations (8th ed.). Pearson Education.

Zahra, S. A., Gedajlovic, E., Neubaum, D. O., & Shulman, J. M. (2009). A typology of social entrepreneurs: Motives, search processes, and ethical challenges. Journal of Business Venturing, 24(5), 519-532.