Est. 1841 | YORK ST JOHN UNIVERSITY

Shabbir, Muhammad Salman and Batool, Fatima (2025) Social Entrepreneurship for Community Development: The Role of Social Capital in Establishing Sustainable Enterprises. Journal of Social Entrepreneurship.

Downloaded from: https://ray.yorksj.ac.uk/id/eprint/11910/

The version presented here may differ from the published version or version of record. If you intend to cite from the work you are advised to consult the publisher's version: https://doi.org/10.1080/19420676.2025.2492060

Research at York St John (RaY) is an institutional repository. It supports the principles of open access by making the research outputs of the University available in digital form. Copyright of the items stored in RaY reside with the authors and/or other copyright owners. Users may access full text items free of charge, and may download a copy for private study or non-commercial research. For further reuse terms, see licence terms governing individual outputs. Institutional Repositories Policy Statement

RaY

Research at the University of York St John

For more information please contact RaY at ray@yorksj.ac.uk

Journal of Social Entrepreneurship

ISSN: (Print) (Online) Journal homepage: www.tandfonline.com/journals/rjse20

Social Entrepreneurship for Community Development: The Role of Social Capital in Establishing Sustainable Enterprises

Muhammad Salman Shabbir & Fatima Batool

To cite this article: Muhammad Salman Shabbir & Fatima Batool (16 Apr 2025): Social Entrepreneurship for Community Development: The Role of Social Capital in Establishing Sustainable Enterprises, Journal of Social Entrepreneurship, DOI: 10.1080/19420676.2025.2492060

To link to this article: https://doi.org/10.1080/19420676.2025.2492060

© 2025 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group

View supplementary material

Published online: 16 Apr 2025.

Submit your article to this journal

Article views: 170

View related articles

View Crossmark data

Full Terms & Conditions of access and use can be found at https://www.tandfonline.com/action/journalInformation?journalCode=rjse20

JOURNAL OF SOCIAL ENTREPRENEURSHIP
https://doi.org/10.1080/19420676.2025.2492060

Routledge
Taylor & Francis Group

OPEN ACCESS Check for updates

Social Entrepreneurship for Community Development: The Role of Social Capital in Establishing Sustainable Enterprises

Muhammad Salman Shabbir[a] and Fatima Batool[b]

[a]Department of Business Studies, York St John University, London Campus, United Kingdom; [b]Suleman Dawood School of Business, Lahore University of Management Sciences (LUMS), Punjab, Pakistan

ABSTRACT

Social entrepreneurship plays a crucial role in addressing social and environmental challenges. This study investigates how structural, relational, and cognitive dimensions of social capital contribute to success and sustainability of social entrepreneurship in community development. Drawing on data from 16 interviews and 254 surveys in Oman, research examines how these dimensions support sustainable enterprise development and foster community growth. Findings show that trust, networks, and shared norms help entrepreneurs access resources, while sustainable enterprise development mediates social capital's impact on community outcomes. This research offers theoretical advancements by integrating social capital with social entrepreneurship and provides practical recommendations to enhance social capital and support sustainable enterprises in a developing country context.

KEYWORDS

Social entrepreneurship; community development; social capital; sustainable enterprise development; developing countries

Introduction

Social entrepreneurship serves as a pivotal catalyst for tackling pressing social and environmental challenges while driving economic development (Dees 1998; Mair and Martí 2006; Zahra et al. 2009). Recent research demonstrates its potential to foster community development, particularly in marginalised regions, by creating employment, reducing poverty, and addressing societal inequities (Ahmad and Bajwa 2023; Anh et al. 2022; Littlewood and Holt 2018). While there has been considerable exploration of social entrepreneurship's role in community development within high-income and some developing countries, there remains a gap in understanding its dynamics in underrepresented socio-cultural contexts.

Existing studies on developing countries, including South Africa (Littlewood and Holt 2018) and India (Doherty, Haugh, and Lyon 2014), provide insights into social

CONTACT Muhammad Salman Shabbir salman.shabbir55@gmail.com Department of Business Studies, York St John University, London Campus E14 2BA, United Kingdom

Supplemental data for this article can be accessed online at https://doi.org/10.1080/19420676.2025.2492060.

© 2025 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group
This is an Open Access article distributed under the terms of the Creative Commons Attribution-NonCommercial-NoDerivatives License (http://creativecommons.org/licenses/by-nc-nd/4.0/), which permits non-commercial re-use, distribution, and reproduction in any medium, provided the original work is properly cited, and is not altered, transformed, or built upon in any way. The terms on which this article has been published allow the posting of the Accepted Manuscript in a repository by the author(s) or with their consent.

entrepreneurship's impact but often focus on formal institutional structures or resource constraints. Unlike many developing regions, Oman's traditional economic activities such as fisheries and agriculture coexist with rapid modernisation under its Vision 2040 agenda, which prioritises entrepreneurship and sustainability (Oman Vision 2040 2020).

For instance, trust-based informal networks, which are deeply rooted in Oman's socio-cultural fabric, often substitute for formal institutional mechanisms, a dynamic that has been underexplored in the literature (Ghouse, Durrah, and McElwee 2021; Dauletova and Al-Busaidi 2024). In addition, Oman's focus on sustainability through Vision 2040 distinguishes it from neighbouring GCC nations that emphasise diversification through technology and finance (Magd and McCoy 2014). This policy framework not only highlights the government's support for social entrepreneurship but also emphasises the interplay between community empowerment and economic innovation.

Therefore, a key resource in building sustainable enterprises is social capital, which encompasses the various facets of social interactions, norms, and trust. Social capital provides entrepreneurs with access to social, cultural, and economic resources that are essential for the success of their ventures. Previous studies have demonstrated that the structural, relational, and cognitive dimensions of social capital significantly influence the sustainability and effectiveness of social enterprises. Social capital theory, as conceptualised by Bourdieu (1986) and Putnam (2000), underscores the importance of networks, trust, and shared norms in fostering cooperation and resource mobilisation. While this framework has been widely applied, studies by Claridge (2018) and Lang and Fink (2019) argue that its application in non-Western settings, particularly in regions with strong traditional ties like Oman, requires deeper contextualisation. Trust-based relational capital, for example, plays an outsized role in community development in Oman, where formal institutional structures are less developed compared to other regions. This contrasts with findings from high-income countries where cognitive social capital (shared norms and institutional trust) often dominates (Putnam 2000).

This study seeks to address these challenges by concentration on Oman to examine how the dimensions of social capital—structural, relational, and cognitive—support the sustainability of social enterprises and their role in community development. It aims at contributing to the broader literature by offering context-specific insights that challenge universal applications of social capital theory, particularly in developing countries where socio-cultural dynamics significantly influence entrepreneurial outcomes. Following this research aim, the study addresses following specific research questions:

1. How do structural, relational, and cognitive dimensions of social capital influence the sustainability of social enterprises in Oman?
2. What role does social capital play in supporting social entrepreneurship initiatives that contribute to community development?
3. How can the interplay between social capital and social entrepreneurship be leveraged to build sustainable enterprises in a developing country context like Oman?

Literature Review

Theoretical Framework: Social Capital

The theoretical foundation for this research is built upon social capital theory, integrating the perspectives of Bourdieu (1986) and Putnam (2000). Bourdieu's view of social capital emphasises the benefits derived from networks of institutionalised relationships, while Putnam focuses on the role of social networks, norms of reciprocity, and trust in promoting cooperation. Despite the significant contribution of social capital theory to social entrepreneurship research, critical evaluations of its applicability in non-Western, developing contexts remain underdeveloped (Claridge 2018; Lang and Fink 2019).

Although Bourdieu (1986) and Putnam (2000) conceptualised social capital as a broadly positive resource, Claridge (2018) critiques this view, emphasising its context-dependent nature. This critique is crucial for regions like Oman, where traditional social norms and networks differ significantly from Western contexts (Lang and Fink 2019). This research explores how the structural, relational, and cognitive dimensions of social capital shape the growth of social enterprises in Oman, offering a richer understanding of its role in non-Western contexts. It also addresses a key gap in prior studies, which often overlook the contextual variations in how social capital develops and operates (Leonidou et al. 2020).

Moreover, structural social capital encompasses the network of relationships that provides individuals and organisations with access to essential resources, such as knowledge, funding, and partnerships (Nahapiet and Ghoshal 1998). In developing contexts, where such networks may be less accessible, strengthening structural social capital becomes crucial for the sustainability and success of social enterprises (Lyon 2005; Muldoon, Bauman, and Lucy 2018). Based on the literature, following hypothesis is developed:

H1: Structural social capital positively influences community development.

Relational social capital, grounded in trust, mutual respect, and strong interpersonal ties, plays a central role in facilitating cooperation and resource sharing among community members. Coleman (1988) highlights that trust is essential in reducing the transaction costs associated with economic activities and in fostering greater collaboration. In the context of social entrepreneurship, trust between social entrepreneurs and community members is critical for gaining legitimacy and long-term support for ventures. Studies have shown that high levels of relational social capital can lead to more effective collaborations and partnerships, which are particularly important in resource-constrained environments (Putnam 2000; Yen, Tseng, and Wang 2015). Based on the literature, following hypothesis is developed:

H2: Relational social capital positively influences community development.

Cognitive social capital involves shared norms, values, and common understandings that promote coordinated actions and collective goals. It fosters a sense of belonging and collective identity within a community, which is crucial for aligning individual efforts with broader community objectives. Grootaert and van Bastelaer (2002) argue

that cognitive social capital enhances social cohesion, which in turn facilitates the formation of shared goals and mutual cooperation. This dimension of social capital is particularly important in developing regions, where shared norms and values can significantly influence the success of social enterprises by fostering community buy-in and engagement (Ghahtarani, Sheikhmohammady, and Rostami 2020; Besser and Miller 2013). Based on the literature, following hypothesis is developed:

H3: Cognitive social capital positively influences community development.

Although key dimensions of social capital are widely recognised, their influence on sustainable enterprise development in developing contexts remains insufficiently examined. Context-specific research is essential, especially in non-Western societies where traditional networks and norms significantly shape social and economic interactions (Lang and Fink 2019; Nakamura and Kanemasu 2020).

Social Entrepreneurship and Community Development

Social entrepreneurship has gained attention for its potential to address social and environmental challenges while promoting financial sustainability (Dees 1998; Mair and Martí 2006; Zahra et al. 2009). It is often linked to community development efforts aimed at improving social and economic conditions through collective action (Bhattacharyya 2004). In marginalised regions, social enterprises may contribute to community well-being by creating jobs, reducing poverty, and addressing issues like unemployment and exclusion (Borzaga, Galera, and Nogales 2020; Littlewood and Holt 2018).

However, the connection between social entrepreneurship and community development remains underexplored, particularly in developing contexts, where unique socio-economic challenges persist (Littlewood and Holt 2018; Daskalopoulou, Karakitsiou, and Thomakis 2023). This study aims to contribute by examining how social entrepreneurship can support sustainable development and empower communities in such regions.

H4: Social entrepreneurship positively influences community development.

Sustainable Enterprise Development

This research defines 'sustainable enterprise development' as the ability of social enterprises to achieve long-term viability while addressing social and environmental challenges (Elkington 1997; Schaltegger and Wagner 2011). It emphasises the need to balance financial growth with sustainability goals, acknowledging potential conflicts between economic and environmental objectives (Hockerts and Wüstenhagen 2010; Shepherd and Patzelt 2011). While existing studies often focus on high-income, urbanised regions, there is limited exploration of how sustainable enterprise development is applied in developing countries. This highlights the need to understand how social enterprises in resource-constrained environments navigate unique challenges to achieve long-term impact (Hidalgo, Monticelli, and Vargas Bortolaso 2024). Following hypothesis is developed based on the literature:

H5: Sustainable enterprise development positively influences community development.

Community Development

While the relationship between community development and sustainability is acknowledged in the literature, their combined impact is often understudied. Hurd and Stanton (2023) highlight the role of social capital in promoting sustainable practices through networks, trust, and collective action, alongside the value of partnerships focused on equity and sustainability.

However, the practical application of these ideas in developing regions remains limited due to resource constraints and weak institutional support (Jha 2019). This study explores how social capital—particularly structural social capital—can be mobilised to enhance sustainable community development in Oman by strengthening networks and partnerships that social enterprises rely on to achieve long-term impact. Based on this, following hypothesis is developed:

H6: Sustainable enterprise development mediates the relationship between structural social capital and community development.

Relational social capital, characterised by trust and cooperation, plays a central role in facilitating the collaboration needed for effective community development. Hypothesis 7 suggests that sustainable enterprise development mediates the relationship between relational social capital and community development. This mediation means that the trust and mutual respect fostered by relational social capital enable sustainable business practices, which further strengthen community development initiatives.

H7: Sustainable enterprise development mediates the relationship between relational social capital and community development.

Cognitive social capital, which involves shared values and norms, promotes coordinated action and collective goals. This dimension of social capital is especially important in communities where a strong sense of unity exists. Hypothesis 8 proposes that sustainable enterprise development mediates the relationship between cognitive social capital and community development. Shared values within a community can be channelled into sustainable enterprises, facilitating collective efforts towards long-term community well-being.

H8: Sustainable enterprise development mediates the relationship between cognitive social capital and community development.

Social entrepreneurship, by its nature, aims to create value for society through sustainable business practices. Hypothesis 9 suggests that sustainable enterprise development mediates the relationship between social entrepreneurship and community development. Social enterprises that adopt sustainable practices are more likely to have a greater impact on community development, as they align business strategies with broader social and environmental goals.

H9: Sustainable enterprise development mediates the relationship between social entrepreneurship and community development.

Gaps in the Literature

Despite growing research on social capital and social entrepreneurship, there remains a gap, particularly concerning the development and sustainability of social capital in rural and developing contexts (Lang and Fink 2019). This study aims to contribute to this area by exploring how structural, relational, and cognitive dimensions of social capital may support sustainable enterprise development in Oman (Pansuwong, Photchanachan, and Thechatakerng 2023). Daskalopoulou, Karakitsiou, and Thomakis (2023) emphasise the importance of considering local socio-cultural conditions when examining the role of social enterprises in non-Western countries. By focusing on Oman, this study tries to provide context-specific insights into how social capital can be mobilised to support enterprise sustainability and community development, thereby addressing a gap in existing research. Following research framework presented in Figure 1 is developed based on literature.

Methodology

Study Context: Oman

Oman's unique socio-economic and cultural context provides a valuable setting for studying social entrepreneurship and community development. The country's diverse economy and ongoing economic diversification efforts under Vision 2040, which emphasise sustainability and entrepreneurship, align well with the focus on fostering sustainable enterprises through social capital (Al Naimi 2022; Magd and McCoy 2014; Oman Vision 2040 2020).

In addition to its economic landscape, Oman's strong community ties, traditions of mutual support, and emphasis on trust and reciprocity create a rich foundation for examining the role of social capital in sustaining social enterprises (Ghouse, Durrah, and McElwee 2021; Dauletova and Al-Busaidi 2024). These traditional networks, which promote collaboration and shared values, highlight Oman's potential as an insightful

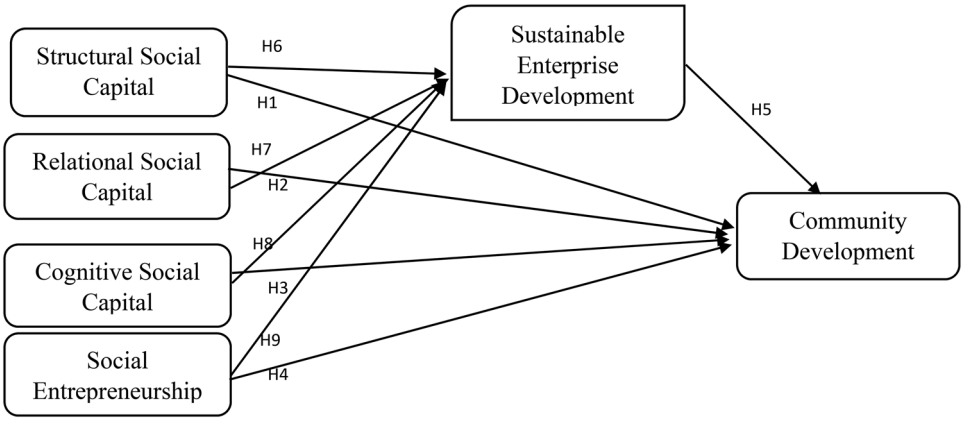

Figure 1. Research framework.

case for exploring how social capital drives enterprise success in developing regions (Ramady 2016).

Research Design

This study adopted a convergent mixed-methods approach to examine the role of social capital in community development by integrating qualitative and quantitative data. Both data types were collected simultaneously, analysed separately, and then integrated during interpretation to provide a comprehensive understanding of the research questions.

The qualitative component involved in-depth interviews that offered context-specific insights into the experiences of social entrepreneurs in Oman, while the quantitative survey provided broader data for statistical analysis of the relationships between social capital, social entrepreneurship, and sustainable enterprise development. This approach allowed the study to capture both detailed individual perspectives and general patterns across a larger population.

By integrating the findings, the study aimed to offer a holistic understanding of how social capital may contribute to enterprise sustainability and community outcomes. The use of triangulation sought to strengthen the validity of the results by incorporating multiple perspectives on the phenomenon under investigation (Creswell and Plano Clark 2017).

Study 1: Qualitative Study

Sampling Strategy for Qualitative Study

The study focused on social entrepreneurs who had founded their own non-profit organisations in Oman over the past 30 years. This specific segment of participants was selected because of their direct involvement in community-based initiatives and their role in addressing social, economic, and environmental challenges. Purposive sampling was employed to select participants for the qualitative interviews, ensuring that they met the inclusion criteria and had significant experience in the field of social entrepreneurship. The decision to limit the sample to social entrepreneurs who had been active for at least five years ensured that the participants had sufficient experience to provide meaningful insights. The sample size for the qualitative study—sixteen social entrepreneurs—was determined based on the principle of theoretical saturation, whereby additional interviews were unlikely to yield new insights or themes (Guest, Bunce, and Johnson 2006).

Qualitative Data Collection Methods: Interviews

The qualitative component involved in-depth interviews with sixteen social entrepreneurs, conducted via Zoom-video technology. This approach allowed for efficient and cost-effective data collection while ensuring high-quality interactions with participants. Each interview lasted approximately fifty minutes and followed a semi-structured format. The pre-determined interview script explored participants' experiences and perspectives on social capital, social entrepreneurship, and sustainable enterprise

development, ensuring consistency across interviews while allowing participants the flexibility to elaborate on their unique experiences.

To enhance the rigour of the qualitative research, thick descriptions and peer debriefing were employed. Thick descriptions provided detailed accounts of participants' experiences, capturing the social, economic, and cultural nuances of the Omani context, which are essential for understanding how social capital supports sustainable enterprises. These rich narratives made the findings more applicable to similar contexts.

Peer debriefing involved regular discussions with peers during the analysis process, allowing for external critique and reflection. This practice helped reduce researcher bias and strengthened the credibility of the findings by incorporating diverse perspectives and validating interpretations.

The interviews were recorded and transcribed, and participants were given the opportunity to review the transcripts for accuracy. The qualitative data collected from these interviews provided a nuanced understanding of how social capital influences the sustainability of social enterprises in Oman, complementing the broader patterns identified in the survey. A detailed copy of the interview guide is provided in Appendix A to ensure transparency and allow readers to understand the specific questions posed to participants.

Interviewee Information

Table 1 provides detailed information about the social entrepreneurs who were interviewed, including the type of social organisation they are affiliated with, their social mission, and the industry they operate in. This helps establish their credibility as social entrepreneurs and provides context for understanding the diversity of experiences represented in the study:

Qualitative Data Analysis

A thematic analysis approach was adopted to analyse the interview transcripts, following the six-step method outlined by Braun and Clarke (2006). This method was chosen for its suitability in identifying, analysing, and reporting patterns within qualitative data, providing both depth and flexibility in interpreting the perspectives of social entrepreneurs. The analysis process aimed to ensure transparency, rigour, and credibility through a systematic and collaborative approach.

Step 1: Data Familiarization

The interview recordings were transcribed verbatim by the primary researcher. The transcripts were read and re-read to ensure immersion in the data. During this stage, initial observations and potential patterns were noted. For example, recurring references to trust networks and community engagement emerged early in the familiarisation process.

Step 2: Generating Initial Codes

The transcribed data was imported into NVivo software, which facilitated systematic coding of the text. Codes were assigned to specific segments of the data that related

Table 1. Interviewee information.

Position	Age	Experience of interviewee (years)	Social organisation foundation	Size of social organisation (Omani Riyal)	Type of social organisation	Social mission	Industry
Founder	40	20	2008	10,000–50,000	Education	Improving education	Education
Founder	30	10	2018	Less than 10,000	Environmental Conservation	Protecting environment	Environment
Founder	37	17	2011	10,000–50,000	Healthcare	Healthcare access	Healthcare
Founder	25	5	2018	Less than 10,000	Women Empowerment	Women's rights	Social
Founder	53	33	1995	50,000–100,000	Rural Development	Rural development	Agriculture
Founder	42	22	2006	10,000–50,000	Community Development	Community growth	Community
Founder	40	20	2008	10,000–50,000	Youth Empowerment	Youth skills	Education
CEO/ Founder	36	16	2012	10,000–50,000	Technology for Social Good	Tech access	Technology
Founder	34	14	2014	10,000–50,000	Social Services	Poverty alleviation	Social
Founder	38	18	2010	10,000–50,000	Renewable Energy	Sustainable energy	Energy
Founder	41	21	2007	10,000–50,000	Social Justice	Human rights	Social
Founder	46	26	2002	10,000–50,000	Housing for Homeless	Homeless support	Housing
Founder	27	7	2016	Less than 10,000	Animal Welfare	Animal rights	Environment
Founder	35	15	2013	Less than 10,000	Arts and Culture	Cultural promotion	Arts
CEO/ Founder	44	24	2004	10,000–50,000	Disaster Relief	Disaster management	Social
Founder	37	17	2011	Less than 10,000	Microfinance	Financial inclusion	Finance

to the research questions. Examples of initial codes included 'access to resources', 'trust-building', and 'shared values'. The use of software ensured consistency and traceability throughout the coding process.

Step 3: Searching for Themes

The initial codes were grouped into broader themes based on their shared characteristics and relevance to the study's objectives. For instance, codes related to trust, reciprocity, and collaborative relationships were combined to form the theme of Relational Social Capital. At this stage, the researchers focused on ensuring that the themes accurately captured the underlying meaning of the data.

Step 4: Reviewing Themes

The identified themes were reviewed by two additional researchers to enhance reliability and reduce potential bias. This peer-review process helped refine the themes and ensure alignment with the research questions. For instance, the theme 'structural barriers' was initially broad but was refined to 'institutional challenges' based on the feedback from the second and third researchers.

Step 5: Defining and Naming Themes

Each theme was defined and named to accurately reflect its core meaning. For example:

- **Relational Social Capital**: Trust-based relationships and networks that facilitate resource sharing and community support.
- **Structural Social Capital**: Networks and formal connections that provide access to resources and institutional support.

Themes were supported by direct quotes from the participants to enhance credibility and provide context-specific insights.

Step 6: Producing the Report

The final themes were documented, and the findings were presented in a structured format, supported by participant quotes. This provided a rich, context-specific understanding of the role of social capital in social entrepreneurship.

To ensure the credibility of the analysis, a multi-analyst approach was employed. Three researchers were involved in the data analysis process:

1. **Primary Researcher**: Conducted initial coding and theme development.
2. **Second Researcher**: Reviewed and validated the themes.
3. **Third Researcher**: Participated in peer-debriefing sessions to challenge and refine the findings.

Thematic saturation was reached after analysing 16 interviews, as no new themes or significant insights emerged from subsequent interviews (Guest, Bunce, and Johnson 2006). This ensured that the qualitative findings were comprehensive and reflected the participants' experiences accurately.

Results: Thematic Analysis of Qualitative Data

The thematic analysis of the qualitative data from interviews with social entrepreneurs in Oman provided valuable insights into the relationship between social entrepreneurship, social capital, and community development. Through a systematic examination of the interview transcripts, four main themes were identified. Each theme is supported by direct quotes from the interviewees, adding depth and validity to the findings, and demonstrating their relevance to the study's research questions.

Theme 1: Social Entrepreneurship as a Catalyst for Sustainable Enterprise Development

The first theme that emerged was the role of social entrepreneurship in fostering sustainable enterprise development. Social entrepreneurs consistently defined social entrepreneurship as the use of innovative business approaches to address community challenges while ensuring long-term sustainability. One entrepreneur stated, *'Social*

entrepreneurship is about creating a business that doesn't just aim for profit, but also aims to address the problems in our community. The goal is sustainability—not just financial sustainability but social impact'.

This theme highlights that social enterprises in Oman strive to balance financial and social goals, with sustainability at the core of their mission. The social mission of these enterprises is deeply rooted in addressing local social problems, such as unemployment, poverty, and access to education.

This theme addresses Research Question 3 by showing how social entrepreneurship provides a framework for leveraging business innovation to build sustainable enterprises in a developing country context like Oman. The findings suggest that the success of these enterprises lies in their ability to integrate financial goals with community development objectives, making them more resilient in challenging environments.

Theme 2: The Role of Social Capital in Building Sustainable Social Enterprises

The role of social capital emerged as a significant factor in the sustainability and growth of social enterprises. Participants emphasised the importance of trust-based relationships and informal networks in accessing resources and sustaining their enterprises over time. One participant shared, *'Without the support of my community, my business would not have survived. The trust and collaboration we have built with suppliers and customers are what keeps us going'.*

This theme illustrates that relational social capital, such as trust, mutual respect, and collaboration within communities, plays a critical role in sustaining social enterprises. Additionally, structural social capital, such as partnerships with government agencies, NGOs, and local businesses, was essential for securing resources and expanding operations.

For example, one participant explained, *'We received significant support from local government offices, but it was the trust of the community that made our business sustainable'.*

This theme addresses Research Question 1 by showing how structural, relational, and cognitive social capital influence the long-term sustainability of social enterprises. The findings demonstrate that social capital not only provides access to resources but also fosters a supportive environment that enables enterprises to thrive.

Theme 3: Overcoming Challenges in Social Entrepreneurship Through Social Capital

A recurring theme was the challenges social entrepreneurs face in building and sustaining their enterprises, particularly in a developing country context like Oman. Participants identified limited access to funding, difficulties in finding skilled employees, and regulatory barriers as the main challenges. One social entrepreneur commented, *'Funding is always an issue. We need to sustain the business, but finding the money to grow and expand our social impact is very difficult'.*

However, participants also shared how social capital helped them overcome these challenges. For example, informal networks with community members and trust-based

relationships with local stakeholders provided financial and operational support when formal funding sources were limited. One entrepreneur stated, *'When we couldn't secure a loan, members of the community stepped in to support us financially. Without that trust, we wouldn't have made it'.*

Additionally, participants highlighted the importance of shared values in motivating employees and retaining talent, despite resource constraints. One participant explained, *'Our employees stay with us because they believe in our mission. It's not just about the salary—it's about making a difference'.*

This theme directly addresses Research Question 1 and Research Question 3 by showing how social capital enables social entrepreneurs to navigate resource constraints and regulatory challenges. The findings highlight that trust-based networks and shared values are critical for overcoming barriers in developing sustainable enterprises.

Theme 4: The Impact of Social Enterprises on Community Development Through Social Capital

The final theme focused on how social enterprises use social capital to drive community development. Nearly all the participants emphasised that their enterprises contribute to local communities by creating jobs, supporting local suppliers, and addressing pressing social issues. One entrepreneur explained, *'Our enterprise has created jobs for the youth in our community, and we always try to source locally to support other small businesses'.*

Participants also highlighted the importance of community trust in enabling their enterprises to have a positive impact on social well-being. One participant stated, *'We're solving problems in the community, whether it's poverty, education, or health, and people trust us because they see the results'.*

Furthermore, the cultural norms and values in Oman were found to shape how social enterprises engage with the community. For example, participants emphasised that respect for traditions and shared values helped build strong relationships with community members, which in turn enhanced the social impact of their enterprises.

This theme addresses Research Question 2 by demonstrating that social capital plays a critical role in supporting social entrepreneurship initiatives that contribute to community development. The findings suggest that social enterprises in Oman act as catalysts for economic and social growth by leveraging trust-based relationships and shared values to drive positive community outcomes.

Study 2: Quantitative Study

Sampling Strategy for Quantitative Study

For the quantitative component, 254 complete survey questionnaires were collected from a broader sample of social entrepreneurs. The sample size for the survey was determined based on standard guidelines for statistical power and representativeness in social sciences research (Cohen 2013). This ensured that the quantitative data was robust enough to allow for meaningful statistical analysis and generalisation to the population of social entrepreneurs in Oman.

Quantitative Data Collection Methods: Surveys

The quantitative component involved the administration of a survey questionnaire to 254 social entrepreneurs. The survey questions were designed to capture participants' perceptions and experiences of social capital, social entrepreneurship, and sustainable enterprise development. To ensure both contextual relevance and methodological rigour, the survey combined pre-validated items from existing scales with context-specific questions developed by the authors. For instance, items measuring social capital were based on established frameworks by Nahapiet and Ghoshal (1998) and Putnam (2000), while questions on sustainable enterprise development were adapted from the works of Hockerts and Wüstenhagen (2010) and Schaltegger and Wagner (2011). Additionally, some questions were developed by the authors to address demographic and context-specific factors relevant to Oman, ensuring that the survey adequately reflected the local socio-economic and cultural environment.

The survey responses were analysed using statistical methods such as descriptive statistics, correlation analysis, and regression modelling to test the relationships between variables. This allowed the study to quantitatively assess how different dimensions of social capital (structural, relational, and cognitive) influence sustainable enterprise development in Oman.

Quantitative Data Analysis

For the quantitative analysis, descriptive statistics and structural equation modelling (SEM) were employed using SmartPLS software to test the hypothesised relationships among social capital, social entrepreneurship, and sustainable enterprise development. Descriptive statistics provided a summary of the key characteristics of the dataset, while SEM allowed for a deeper investigation of the causal relationships between variables. This method was particularly suitable for testing complex models with multiple constructs and provided robust insights into the underlying factors that influence the success of social entrepreneurship ventures in Oman.

To strengthen the analysis, the survey results were cross-referenced with the themes derived from the qualitative interviews, identifying correlations and discrepancies between the two data sources. This triangulation of data further enriched the findings, ensuring a more comprehensive and nuanced understanding of the factors contributing to sustainable social enterprises in Oman.

Results of Quantitative Analysis

To enhance transparency and reliability, detailed measurement items for each construct used in this study are presented in Table 2. The constructs measured include structural social capital, relational social capital, cognitive social capital, social entrepreneurship, sustainable enterprise development, and community development. The survey items were adapted from validated instruments in previous studies to ensure reliability and validity. The combination of items from different pre-validated scales was driven by the complex, multidimensional nature of the constructs under investigation and the need for contextual relevance in the Omani setting. Social capital and social

entrepreneurship are broad constructs that encompass various dimensions such as trust, network structure, shared values, and social impact, which are often addressed in separate, specialised scales. To ensure comprehensive coverage, the study integrated relevant items from multiple established scales, each capturing distinct facets of the constructs, thereby improving the content validity of the survey instrument (MacKenzie et al., 2011). This approach is particularly appropriate when existing scales were developed for different contexts or purposes, as it allows researchers to adapt and customise measurement tools to align with the specific research questions and cultural context. Furthermore, combining items from multiple sources helps reduce method bias that can occur when relying solely on one scale, while enhancing construct validity by ensuring that all critical dimensions of the constructs are captured. This methodological choice was validated through factor analysis, confirming that the combined items formed coherent constructs with strong internal consistency and discriminant validity.

Measurement Model

The measurement model was tested to ensure the reliability and validity of the constructs. As shown in Table 3, all items demonstrated high factor loadings, confirming strong internal consistency. The Cronbach's alpha values and composite reliability (CR) were above the acceptable threshold of 0.7, while the average variance extracted (AVE) exceeded 0.5, confirming convergent validity. The discriminant validity measures in Table 4 also confirmed that the constructs were distinct from one another, ensuring that they measured separate concepts. Values on the diagonal (bold) in Table 4 are the square roots of AVE. According to Fornell & Larcker (1981, discriminant validity is established if the square root of the AVE (Average Variance Extracted) of each construct is greater than its highest correlation with any other construct. Hence, discriminant validity is established.

Structural Model

The structural model tested the relationships among social capital, social entrepreneurship, sustainable enterprise development, and community development. As shown in Table 5, all hypotheses were supported by significant path coefficients.

Direct Effects

The results of the structural model confirmed that all direct hypotheses were supported with significant path coefficients. Structural social capital (H1) demonstrated a positive influence on community development ($\beta = 0.32$, $p < 0.001$), indicating that formal networks and institutional ties contribute to the growth and well-being of local communities. Relational social capital (H2) had the strongest direct effect on community development ($\beta = 0.42$, $p < 0.001$), highlighting the importance of trust-based relationships and mutual support in fostering long-term social impact. Cognitive social capital (H3) also showed a significant positive impact on community development ($\beta = 0.26$, $p < 0.002$), suggesting that shared values and norms within a community

Table 2. Measurement items.

Construct	Item code	Survey item	References
Structural Social Capital	SSC1	I have a large number of connections with individuals and organisations in my network.	Nahapiet and Ghoshal (1998)
	SSC2	I frequently interact with members of my network.	Nahapiet and Ghoshal (1998)
	SSC3	My network consists of diverse individuals and organisations.	Burt (2000)
Relational Social Capital	RSC1	There is a high level of trust among members of my network.	Putnam (2000)
	RSC2	Members of my network respect each other.	Coleman (1988)
	RSC3	The relationships within my network are strong and supportive.	Granovetter (1985)
	RSC4	There is mutual respect among members of my network.	Putnam (2000)
	RSC5	The quality of relationships within my network is very high.	Coleman (1988)
Cognitive Social Capital	CSC1	Members of my network share similar values.	Nahapiet and Ghoshal (1998)
	CSC2	There are common goals and visions among members of my network.	Nahapiet and Ghoshal (1998)
	CSC3	There is a collective understanding and shared norms within my network.	Putnam (2000)
	CSC4	Social norms shape behaviour and expectations within my network.	Coleman (1988)
Social Entrepreneurship	SE1	Our enterprise uses innovative approaches to solve social problems.	Dees (1998)
	SE2	Our enterprise is committed to a social mission.	Austin, Stevenson, and Wei-Skillern (2006)
	SE3	Our enterprise demonstrates business acumen in managing social enterprises.	Zahra et al. (2009)
	SE4	Our enterprise seeks to create social value alongside financial returns.	Mair and Martí (2006)
	SE5	Our enterprise actively addresses social and environmental issues.	Hockerts and Wüstenhagen (2010)
	SE6	Our enterprise takes risks and pursues innovative solutions to complex problems.	Zahra et al. (2009)
Sustainable Enterprise Development	SED1	Our enterprise maintains long-term financial viability.	Schaltegger and Wagner (2011)
	SED2	Our enterprise implements environmental sustainability practices.	Elkington (1997)
	SED3	Our enterprise engages with the community to create social impact.	Hockerts and Wüstenhagen (2010)
	SED4	Our enterprise has a sustainable business model.	Schaltegger and Wagner (2011)
	SED5	Our enterprise regularly assesses and improves its sustainability practices.	Shepherd and Patzelt (2011)
	SED6	Our enterprise aligns its operations with sustainable development goals.	Schaltegger and Wagner (2011)
Community Development	CD1	Our enterprise contributes to the improvement of community well-being.	Mair and Martí (2006)
	CD2	Our enterprise supports economic growth and job creation in the community.	Dees (1998)
	CD3	Our enterprise fosters social cohesion and inclusion within the community.	Putnam (2000)
	CD4	Our enterprise addresses social inequalities in the community.	Coleman (1988)
	CD5	Our enterprise collaborates with local stakeholders to support community development.	Austin et al. (2006)

promote collaboration and social cohesion. Furthermore, social entrepreneurship (H4) demonstrated a significant positive association with community development ($\beta = 0.39$, $p < 0.001$), indicating that mission-driven enterprises play a critical role in addressing

Table 3. Reliability and validity of measurement model.

Construct	No. of items	Mean	Standard deviation	Cronbach's alpha	CR	AVE
Structural Social Capital	3	4.12	0.58	0.651	0.854	0.716
Relational Social Capital	5	4.25	0.67	0.738	0.913	0.605
Cognitive Social Capital	4	4.35	0.63	0.852	0.803	0.693
Social Entrepreneurship	6	4.18	0.60	0.783	0.815	0.608
Sustainable Enterprise Development	6	4.28	0.65	0.639	0.824	0.758
Community Development	5	4.30	0.62	0.716	0.901	0.734

Table 4. Discriminant validity measures.

	SSC	RSC	CSC	SE	SED	CD
SSC	**0.88**					
RSC	0.63	**0.81**				
CSC	0.53	0.65	**0.87**			
SE	0.51	0.6	0.64	**0.83**		
SED	0.579	0.357	0.675	0.463	**0.778**	
CD	0.525	0.486	0.555	0.445	0.513	**0.679**

Table 5. Direct and indirect relationships.

Hypothesised path	Path coefficient	Standard error (STERR)	*T* value	*p* Value	Decision
H1 SSC -> CD	0.32	0.101	3.76	0.001	Supported
H2 RSC -> CD	0.42	0.092	4.87	0.001	Supported
H3 CSC -> CD	0.26	0.109	3.11	0.002	Supported
H4 SE -> CD	0.39	0.293	4.41	0.001	Supported
H5 SED -> CD	0.49	0.083	5.84	0.001	Supported
H6 SSC -> SED-> CD	0.24	0.199	3.20	0.001*	Supported
H7 RSC -> SED > CD	0.30	0.282	3.84	0.001*	Supported
H8 CSC -> SED -> CD	0.18	0.158	2.4	0.001*	Supported
H9 SE -> SED -> CD	0.27	0.241	3.56	0.001*	Supported

*$p < 0.05$.

social issues and promoting local growth. Lastly, sustainable enterprise development (H5) showed a strong direct effect on community development ($\beta = 0.49$, $p < 0.001$), confirming that financially and environmentally sustainable enterprises contribute significantly to community well-being through job creation, resource allocation, and social impact.

Mediating Effects

The mediation analysis further demonstrated that sustainable enterprise development plays a critical role in strengthening the relationship between social capital and community development. The results indicated that sustainable enterprise development significantly mediated the relationship between structural social capital and community development (H6) ($\beta = 0.24$, $p < 0.001$), highlighting that formal networks are more effective in promoting community growth when enterprises achieve financial and operational sustainability. Similarly, relational social capital's impact on community development was mediated by sustainable enterprise development (H7) ($\beta = 0.30$, $p < 0.001$), suggesting that trust-based relationships help sustain enterprises, which in

turn enhance community well-being. The results also confirmed that cognitive social capital's effect on community development was mediated by sustainable enterprise development (H8) ($\beta = 0.18$, $p < 0.001$), indicating that shared values and collective goals improve the sustainability of social enterprises, thereby contributing to community development. Lastly, social entrepreneurship's impact on community development was mediated by sustainable enterprise development (H9) ($\beta = 0.27$, $p < 0.001$), demonstrating that enterprises driven by social missions achieve greater community impact when they prioritise long-term financial and environmental sustainability. These findings emphasise the importance of sustainable enterprise development as a key mechanism through which social capital and social entrepreneurship contribute to community growth and positive social change.

Cross-Referencing Qualitative and Quantitative Findings

The integration of qualitative and quantitative findings provided a comprehensive perspective on how structural, relational, and cognitive dimensions of social capital influence sustainable enterprise development and contribute to community development in Oman. The quantitative analysis tested the direct and mediated relationships between social capital, sustainable enterprise development, and community development, confirming that relational social capital had the strongest impact on community development. The qualitative study added critical contextual insights, explaining why trust-based relationships and informal networks are more effective in the Omani context than formal institutional networks.

For Research Question 1, the quantitative results showed that all three dimensions of social capital positively influenced community development, with relational social capital having the strongest direct effect (H2). The qualitative findings complemented this by revealing that trust and collaboration within informal networks are essential for accessing resources and sustaining enterprises in Oman. The weaker-than-expected effect of structural social capital observed in the quantitative results was clarified by the qualitative interviews, which indicated that formal institutional networks are underdeveloped in Oman, and entrepreneurs rely more on informal, trust-based support.

For Research Question 2, the findings confirmed that social capital plays a crucial role in supporting social entrepreneurship initiatives that contribute to community development. The quantitative analysis showed that social entrepreneurship (H4) and sustainable enterprise development (H5) both had significant positive impacts on community development. The qualitative study provided real-world examples of how social enterprises create jobs, address social issues, and promote local economic growth, emphasising the importance of community trust in achieving these outcomes. The shared values and norms identified in the qualitative study supported the quantitative results, confirming that cognitive social capital plays a role, though secondary to trust and relational networks.

For Research Question 3, the mediation analysis in the quantitative study highlighted that sustainable enterprise development mediates the relationship between social capital and community development (H6–H9). The qualitative findings enriched these results by explaining that social enterprises achieve greater community impact

when they prioritise financial and environmental sustainability. The interviews revealed that entrepreneurs often face resource constraints, and sustainability efforts are bolstered by community support, reinforcing the importance of relational social capital in sustaining long-term community development.

Overall, the qualitative insights added depth and context to the statistical findings, helping to interpret unexpected patterns and explaining the mechanisms through which social capital influences community outcomes. The integration of both studies ensured that the research findings were not only statistically robust but also contextually relevant, providing a holistic understanding of how social capital and social entrepreneurship interact to drive sustainable community development in Oman.

Discussion

The results of this study confirm the significant roles that social capital and social entrepreneurship play in fostering sustainable enterprises and promoting community development, consistent with existing literature. The findings from the qualitative interviews and quantitative surveys provide a comprehensive understanding of how social capital elements—structural, relational, and cognitive—influence social entrepreneurship and community outcomes. The positive relationships among these constructs align with prior research indicating that social capital offers essential resources, including knowledge, information, and social support, which enhance entrepreneurial activities (Hidalgo, Monticelli, and Vargas Bortolaso 2024; Saebi et al., 2019).

This study contributes new insights by demonstrating the multifaceted role of social capital in sustainable enterprise development and community development in Oman. While previous research has highlighted the importance of social capital, this study adds nuance by revealing that relational social capital—trust and interpersonal relationships—plays a more substantial role in community development than cognitive social capital (e.g. shared norms and values). This discrepancy is particularly notable in the socio-cultural context of Oman, where personal trust networks and interpersonal connections may outweigh the impact of shared values. This finding extends the understanding of context-specific factors in social entrepreneurship, showing that relational social capital may be more critical in certain cultural settings, particularly in developing regions where interpersonal relationships drive resource mobilisation (Putnam 2000).

The unique socio-cultural and institutional characteristics of Oman contribute significantly to the observed phenomenon. Unlike more formalised, institutionalised contexts seen in many Western countries, Oman's entrepreneurial ecosystem relies heavily on informal networks and personal trust-based relationships. Tribal affiliations, family connections, and community bonds play a crucial role in how entrepreneurs gain access to resources, support, and opportunities. In this context, trust within informal networks often substitutes for formal institutional support, which remains relatively underdeveloped. For instance, participants in the qualitative interviews repeatedly emphasised that personal relationships were essential in securing funding or building partnerships, particularly when formal institutions failed to provide adequate support. This finding highlights the importance of

trust-building within local communities, as formal regulatory and financial frameworks in Oman may not yet be as supportive or robust as in more developed entrepreneurial ecosystems.

Furthermore, cultural norms in Oman emphasise interpersonal loyalty and reciprocity, which foster strong relational ties. Unlike in individualistic societies where entrepreneurship is often driven by personal ambition, social entrepreneurship in Oman appears to be motivated by a sense of community responsibility and collective well-being. This community-centric mindset drives social entrepreneurs to leverage their social capital not just to grow their enterprises but also to address local social issues. These cultural elements provide a unique lens for understanding why relational social capital is more influential in community development outcomes in Oman compared to other contexts.

The mediating role of sustainable enterprise development between social capital and community development also emerged as a key finding. This suggests that social capital alone is not enough to drive community change; it must be leveraged through sustainable business practices to generate long-term social impact. This aligns with Mair and Martí (2006) emphasis on the need for a balance between financial sustainability and social goals in social enterprises. Our findings further reinforce this by demonstrating that social entrepreneurship ecosystems need to focus not only on building social capital but also on cultivating business models that ensure long-term viability (Kolk, Kourula, and Pisani 2017).

Ultimately, the findings of this study provide context-specific insights into how social capital functions differently in the Omani context compared to more institutionalised entrepreneurial ecosystems. This highlights the importance of considering cultural and institutional factors when studying social entrepreneurship and community development. The Omani context presents a unique case where informal networks and relational social capital drive entrepreneurial success in ways that are distinct from Western contexts, offering valuable lessons for other developing regions with similar socio-cultural dynamics.

Theoretical Contributions

This study makes three key theoretical contributions by advancing the understanding of social capital theory in developing regions, introducing sustainable enterprise development as a mediating mechanism, and offering an empirically grounded, context-specific perspective that challenges universal assumptions in social entrepreneurship and community development literature. These contributions fill critical gaps in the literature by addressing how and why social capital functions differently in non-Western, developing country contexts and by introducing mechanisms through which social capital translates into community impact.

Re-Contextualizing Social Capital Theory for Developing Regions

The first theoretical contribution lies in re-contextualizing social capital theory to account for context-specific dynamics in developing regions, particularly in countries like Oman where informal networks and interpersonal trust dominate over formal

institutional structures. Existing literature often assumes that structural, relational, and cognitive social capital are equally important across contexts (Nahapiet and Ghoshal 1998; Putnam 2000). However, this study challenges this assumption by demonstrating that in Oman, relational social capital—trust-based relationships and informal networks—plays a far more critical role than cognitive social capital, which involves shared values and norms.

This study empirically shows that formal, institutionalised structures of support (structural social capital) are often underdeveloped in Oman, making personal trust networks essential for accessing resources, building partnerships, and sustaining enterprises. This finding extends social capital theory by emphasising that the relative importance of social capital dimensions is not universal but rather shaped by local socio-cultural and institutional contexts. This contribution encourages scholars to move beyond Western-centric frameworks and recognise that social capital functions differently in contexts where informal relationships and trust are more important than formal rules and shared norms.

By empirically demonstrating this context-specific variation, this study challenges existing assumptions about the equal importance of social capital dimensions and calls for greater theoretical attention to the institutional and cultural conditions that shape the effectiveness of social capital in different regions.

Introducing Sustainable Enterprise Development as a Mediating Mechanism

A second key theoretical contribution is the introduction of sustainable enterprise development (SED) as a mediating mechanism between social capital and community development. Existing studies have largely focused on direct effects of social capital on community outcomes (Zahra et al. 2009; Mair and Martí 2006). However, this study demonstrates that social capital alone is insufficient to achieve long-term community development. Instead, sustainable enterprise development acts as a critical bridge, amplifying the impact of social capital on community outcomes.

This contribution is novel and significant because it highlights how social capital must be leveraged through sustainable business practices to create lasting social impact. In contexts like Oman, where informal networks are prevalent, entrepreneurs need to convert their social connections into sustainable business models to achieve long-term community impact. The study shows that SED not only enhances financial stability but also reinforces social mission alignment, thereby creating self-sustaining social enterprises that continue to benefit their communities over time.

By identifying SED as a mediating factor, this study contributes to social entrepreneurship theory by providing a more nuanced understanding of how social capital is translated into community outcomes. This insight encourages future research to focus on the mechanisms through which social capital interacts with sustainable business practices, rather than simply assessing direct relationships.

Challenging the Universal Applicability of Multidimensional Social Capital

The third theoretical contribution of this study is the empirical challenge to the universal applicability of multidimensional social capital frameworks. The quantitative

findings reveal that relational social capital has the strongest influence on community development outcomes in Oman ($\beta = 0.42$), which contrasts with findings from developed countries, where cognitive social capital or structural social capital often plays a more prominent role (Putnam 2000; Coleman 1988). This differentiation highlights that the effectiveness of social capital dimensions varies significantly across cultural and institutional contexts.

The study empirically demonstrates that in developing regions, trust-based, informal networks are more critical than formal structures or shared norms. This finding is particularly relevant for social entrepreneurship ecosystems in non-Western countries, where entrepreneurs often lack access to formal support systems and must rely on personal relationships to mobilise resources and gain legitimacy.

This contribution is significant because it challenges the one-size-fits-all approach often applied in social capital theory. By providing empirical evidence from a developing region, the study highlights the need for context-specific research to account for localised dynamics that shape social capital's effectiveness. This encourages scholars to rethink the applicability of Western-centric models and develop new frameworks that better capture regional variations in social capital's role in entrepreneurship and community development.

Practical Contributions

From a practical perspective, this study offers several important implications for policymakers, social entrepreneurs, and organisations engaged in community development, with a focus on developing regions such as Oman. The findings contribute novel and actionable insights that challenge conventional approaches and emphasise the importance of context-specific strategies.

Prioritising Trust-Based Networks in Developing Regions

The study highlights the importance of relational social capital in fostering community outcomes, emphasising that trust-based networks are particularly crucial in regions like Oman. Social entrepreneurs can strengthen their impact by building trusting relationships with key stakeholders, such as local communities and partners, to access resources and secure long-term support.

This focus on interpersonal trust offers a valuable perspective for developing contexts, where formal institutions may be less established, and personal relationships play a greater role in social and economic transactions (Putnam 2000; Fukuyama 1995). The study's practical implications encourage social entrepreneurs and policymakers to prioritise trust-building strategies that are more aligned with local realities, making interventions more effective and contextually relevant.

Emphasising Sustainable Business Models for Social Enterprises

The study emphasises the critical role of sustainable business models in ensuring the long-term success of social enterprises. The finding that sustainable enterprise

development mediates the relationship between social capital and community development suggests that social enterprises must balance their social missions with financial and environmental sustainability to achieve lasting impact, particularly in regions facing financial instability and operational challenges.

This insight is valuable for practitioners and policymakers, highlighting the need to provide targeted support to help social enterprises adopt sustainable practices. Offering training and resources can strengthen the financial viability of these enterprises, ensuring they continue to deliver social and environmental benefits over time. By connecting social capital with sustainability, the study presents a practical framework for improving both enterprise longevity and community outcomes (Schaltegger and Wagner 2011), encouraging a shift from short-term impact to long-term resilience and growth.

Tailoring Approaches to Local Socio-Cultural Contexts

The study underscores the importance of context-specific approaches in fostering social entrepreneurship ecosystems, particularly in developing regions. The finding that relational social capital (trust-based relationships) plays a more significant role than cognitive social capital (shared norms and values) in Oman suggests that development programs should prioritise strengthening interpersonal ties and trust within communities rather than relying solely on formalised structures.

This insight challenges the one-size-fits-all approach often applied in development programs, particularly those modelled on Western frameworks. The study highlights that interventions must be culturally sensitive and aligned with local social dynamics to be effective in resource-limited environments (Lyon and Fernandez 2012). By emphasising the need to account for local social structures and trust-based interactions, the research provides a practical guide for social entrepreneurs and policymakers to design tailored strategies that better leverage social capital for sustainable community development.

Limitations and Future Research Directions

This study provides useful insights into the role of social capital in fostering sustainable enterprises and supporting community development. However, it also highlights several areas that require further investigation. One limitation is the study's primary focus on social capital, which does not fully account for other influential factors such as resource accessibility, market demand, and institutional support. Future research could explore how these elements interact with social capital to contribute to the success of sustainable enterprises.

The findings are based on social entrepreneurs in Oman, which may limit their applicability to other contexts. Expanding research to more diverse socio-economic and cultural settings, including remote and underserved regions, may help determine whether these insights hold across different environments. Additionally, this study

does not directly evaluate specific community development outcomes, such as poverty reduction, job creation, or social inclusion. Future studies could focus on these outcomes to better understand the broader impact of social entrepreneurship on community well-being.

The study's reliance on self-reported data from interviews and surveys may also introduce potential biases, such as social desirability or recall errors. To address this, future research might incorporate objective measures and longitudinal data to improve the validity of findings. While this study offers a foundation for understanding the role of social capital in social entrepreneurship, further research is needed to consider additional influencing factors, assess concrete community outcomes, and apply more comprehensive methodologies to provide a fuller picture of sustainable enterprise development across various contexts.

Conclusion

This study explores the role of social capital in supporting sustainable business development and contributing to community growth. By combining qualitative interviews with social entrepreneurs in Oman and quantitative survey analysis, the research examines how structural, relational, and cognitive dimensions of social capital interact to influence social entrepreneurship and community development.

The findings suggest that social capital can facilitate community outcomes when it is linked to sustainable enterprise development. Rather than social capital alone driving community growth, the study indicates that sustainable business practices play a key mediating role in achieving long-term impact. This insight may be useful for policymakers and practitioners seeking to support resilient communities by fostering trust-based networks and promoting diverse connections alongside viable business models.

The study also provides recommendations for strengthening relational social capital through trust-building, expanding structural social capital through diverse networks, and promoting shared values to enhance cognitive social capital. It highlights the importance of a balanced approach that considers social, economic, and environmental aspects in community development efforts.

While the study offers useful insights, it acknowledges the need for further research to examine how social capital functions in different geographical and cultural contexts. Additionally, future studies could explore specific community outcomes, such as poverty reduction, job creation, and social inclusion, to provide a more comprehensive understanding of social entrepreneurship's potential impact. The research also suggests integrating these concepts into educational programs to better equip future practitioners with the tools to contribute to community development. Overall, this study aims to add to the ongoing discussion on social capital, sustainable enterprise development, and their potential to support community well-being.

Disclosure Statement

No potential conflict of interest was reported by the author(s).

ORCID

Muhammad Salman Shabbir http://orcid.org/0000-0002-0796-0456
Fatima Batool http://orcid.org/0000-0002-1196-3713

References

Ahmad, S., and I. A. Bajwa. 2023. "The Role of Social Entrepreneurship in Socio-Economic Development: A Meta-Analysis of the Nascent Field." *Journal of Entrepreneurship in Emerging Economies* 15 (1): 133–157. https://doi.org/10.1108/JEEE-04-2021-0165.

Al Naimi, S. M. 2022. "Economic Diversification Trends in the Gulf: The Case of Saudi Arabia." *Circular Economy and Sustainability* 2 (1): 221–230. https://doi.org/10.1007/s43615-021-00106-0.

Anh, D. B. H., L. D. M. Duc, N. T. H. Yen, N. T. Hung, and N. H. Tien. 2022. "Sustainable Development of Social Entrepreneurship: evidence from Vietnam." *International Journal of Entrepreneurship and Small Business* 45 (1): 62–76. https://doi.org/10.1504/IJESB.2022.120553.

Austin, James, Howard Stevenson, and Jane Wei–Skillern. 2006. "Social and Commercial Entrepreneurship: Same, Different, or Both?." *Entrepreneurship Theory and Practice* 30 (1): 1–22. https://doi.org/10.1111/j.1540-6520.2006.00107.x.

Besser, T. L., and N. J. Miller. 2013. "Social Capital, Local Businesses, and Amenities in US Rural Prairie Communities." *Journal of Rural Studies* 32: 186–195. https://doi.org/10.1016/j.jrurstud.2013.06.004.

Bhattacharyya, J. 2004. "Theorizing Community Development." *Journal of the Community Development Society* 34 (2): 5–34. https://doi.org/10.1080/15575330409490110.

Borzaga, C., G. Galera, and R. Nogales. 2020. *Social Enterprises and Their Ecosystems in Europe*. Luxembourg: Publications Office of the European Union.

Bourdieu, P. 1986. "The Forms of Capital." In *Handbook of Theory and Research for the Sociology of Education*, edited by J. G. Richardson, 241–258. Westport, CT: Greenwood Press.

Braun, V, and V. Clarke. 2006. "Using Thematic Analysis in Psychology." *Qualitative Research in Psychology* 3 (2): 77–101. https://doi.org/10.1191/1478088706qp063oa.

Burt, Ronald S. 2000. "The Network Structure of Social Capital." *Research in Organizational Behavior* 22: 345–423. https://doi.org/10.1016/S0191-3085(00)22009-1.

Claridge, T. 2018. "Criticisms of Social Capital Theory: And Lessons for Improving Practice." *Social Capital Research* 2: 1–8.

Cohen, J. 2013. *Statistical Power Analysis for the Behavioral Sciences*. 2nd ed. Boca Raton, FL: Routledge.

Coleman, J. S. 1988. "Social Capital in the Creation of Human Capital." *American Journal of Sociology* 94: S95–S120. https://doi.org/10.1086/228943.

Creswell, J. W., and V. L. Plano Clark. 2017. *Designing and Conducting Mixed Methods Research*. 3rd ed. Thousand Oaks, CA: SAGE.

Daly, H. E. 2014. *Beyond Growth: The Economics of Sustainable Development*. Boston, MA: Beacon Press.

Daskalopoulou, I., A. Karakitsiou, and Z. Thomakis. 2023. "Social Entrepreneurship and Social Capital: A Review of Impact Research." *Sustainability* 15 (6): 4787. https://doi.org/10.3390/su15064787.

Dauletova, V., and A. S. Al-Busaidi. 2024. "Socio-Cultural Factors as Driving Forces of Rural Entrepreneurship in Oman." *Journal of Small Business & Entrepreneurship* 36 (5): 808–828. https://doi.org/10.1080/08276331.2022.2124815.

Dees, J. G. 1998. *The Meaning of "Social Entrepreneurship"*. Stanford, CA: Stanford University: Draft report for the Kauffman Center for Entrepreneurial Leadership.

Doherty, B., H. Haugh, and F. Lyon. 2014. "Social Enterprises as Hybrid Organizations: A Review and Research Agenda." *International Journal of Management Reviews* 16 (4): 417–436. https://doi.org/10.1111/ijmr.12028.

Elkington, J. 1997. *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*. Oxford: Capstone Publishing.

Fukuyama, F. 1995. *Trust: The Social Virtues and the Creation of Prosperity*. New York: Free Press.

Ghahtarani, A., M. Sheikhmohammady, and M. Rostami. 2020. "The Impact of Social Capital and Social Interaction on Customers' Purchase Intention considering Knowledge Sharing in Social Commerce Context." *Journal of Innovation & Knowledge* 5 (3): 191–199. https://doi.org/10.1016/j.jik.2019.08.004.

Ghouse, S. M., O. Durrah, and G. McElwee. 2021. "Rural Women Entrepreneurs in Oman: Problems and Opportunities." *International Journal of Entrepreneurial Behavior & Research* 27 (7): 1674–1695. https://doi.org/10.1108/IJEBR-03-2021-0209.

Granovetter, M. 1985. "Economic Action and Social Structure: The Problem of Embeddedness." *American Journal of Sociology* 91 (3): 481–510. https://doi.org/10.1086/228311.

Grootaert, C., and T. van Bastelaer. 2002. *Understanding and Measuring Social Capital: A Multidisciplinary Tool for Practitioners*. Washington, DC: World Bank.

Guest, G., A. Bunce, and L. Johnson. 2006. "How Many Interviews Are Enough? An Experiment with Data Saturation and Variability." *Field Methods* 18 (1): 59–82. https://doi.org/10.1177/1525822X05279903.

Hidalgo, G., J. M. Monticelli, and I. Vargas Bortolaso. 2024. "Social Capital as a Driver of Social Entrepreneurship." *Journal of Social Entrepreneurship* 15 (1): 182–205. https://doi.org/10.1080/19420676.2021.1951819.

Hockerts, K., and R. Wüstenhagen. 2010. "Greening Goliaths versus Emerging Davids: Theorizing about the Role of Incumbents and New Entrants in Sustainable Entrepreneurship." *Journal of Business Venturing* 25 (5): 481–492. https://doi.org/10.1016/j.jbusvent.2009.07.005.

Hurd, C., and T. K. Stanton. 2023. "Community Engagement as Community Development: Making the Case for Multilateral, Collaborative, Equity-Focused Campus-Community Partnerships." *Community Development* 54 (6): 875–898. https://doi.org/10.1080/15575330.2022.2121297.

Jha, A. 2019. "Financial Reports and Social Capital." *Journal of Business Ethics* 155 (2): 567–596. https://doi.org/10.1007/s10551-017-3495-5.

Kolk, A., A. Kourula, and N. Pisani. 2017. "Multinational Enterprises and the Sustainable Development Goals: What Do we Know and How to Proceed?" *Transnational Corporations* 25 (3): 9–32.

Lang, R., and M. Fink. 2019. "Rural Social Entrepreneurship: The Role of Social Capital within and across Institutional Levels." *Journal of Rural Studies* 70: 155–168. https://doi.org/10.1016/j.jrurstud.2018.03.012.

Leonidou, E., M. Christofi, D. Vrontis, and A. Thrassou. 2020. "An Integrative Framework of Stakeholder Engagement for Innovation Management and Entrepreneurship Development." *Journal of Business Research* 119: 245–258. https://doi.org/10.1016/j.jbusres.2018.11.054.

Littlewood, D., and D. Holt. 2018. "Social Entrepreneurship in South Africa: Exploring the Influence of Environment." *Business & Society* 57 (3): 525–561. https://doi.org/10.1177/0007650315613293.

Lyon, F. 2005. "Managing co-Operation: Trust and Power in Ghanaian Associations." *Organization Studies* 26 (6): 885–907.

Lyon, F., and H. Fernandez. 2012. "Strategies for Scaling up Social Enterprise: Lessons from Early Years Providers." *Social Enterprise Journal* 8 (1): 63–77. https://doi.org/10.1108/17508611211226593.

MacKenzie, and., Podsakoff. Podsakoff. 2011. "Construct Measurement and Validation Procedures in MIS AND Behavioral Research: Integrating New and Existing Techniques." *MIS Quarterly* 35 (2): 293 https://doi.org/10.2307/23044045.

Magd, H. A., and M. P. McCoy. 2014. "Entrepreneurship in Oman: Paving the Way for a Sustainable Future." *Procedia Economics and Finance* 15: 1632–1640. https://doi.org/10.1016/S2212-5671(14)00634-0.

Mair, J., and I. Martí. 2006. "Social Entrepreneurship Research: A Source of Explanation, Prediction, and Delight." *Journal of World Business* 41 (1): 36–44. https://doi.org/10.1016/j.jwb.2005.09.002.

Muldoon, J., A. Bauman, and C. Lucy. 2018. "Entrepreneurial Ecosystem: Do You Trust or Distrust?" *Journal of Enterprising Communities: People and Places in the Global Economy* 12 (2): 158–177. https://doi.org/10.1108/JEC-07-2017-0050.

Nahapiet, J., and S. Ghoshal. 1998. "Social Capital, Intellectual Capital, and the Organizational Advantage." *The Academy of Management Review* 23 (2): 242–266. https://doi.org/10.2307/259373.

Nakamura, N., and Y. Kanemasu. 2020. "Traditional Knowledge, Social Capital, and Community Response to a Disaster: Resilience of Remote Communities in Fiji after a Severe Climatic Event." *Regional Environmental Change* 20 (1): 1–14. https://doi.org/10.1007/s10113-020-01613-w.

Oman Vision 2040. 2020. "Vision 2040." Supreme Council for Planning. https://www.oman2040.om

Pansuwong, W., S. Photchanachan, and P. Thechatakerng. 2023. "Social Innovation: Relationships with Social and Human Capitals, Entrepreneurial Competencies, and Growth of Social Enterprises." *Social Enterprise Journal* 19 (1): 51–79. https://doi.org/10.1108/SEJ-02-2022-0014.

Putnam, R. D. 2000. *Bowling Alone: The Collapse and Revival of American Community*. New York: Simon & Schuster.

Ramady, M. A., ed. 2016. *The Political Economy of Wasta: Use and Abuse of Social Capital Networking*, vii. Cham: Springer International Publishing.

Saebi, T., N. J. Foss, and S. Linder. 2019. "Social Entrepreneurship Research: Past Achievements and Future Promises." *Journal of Management* 45 (1): 70–95. https://doi.org/10.1108/10.1177/0149206318793196.

Schaltegger, S., and M. Wagner. 2011. "Sustainable Entrepreneurship and Sustainability Innovation: Categories and Interactions." *Business Strategy and the Environment* 20 (4): 222–237. https://doi.org/10.1002/bse.682.

Shahidullah, A. K. M., and C. E. Haque. 2016. "Social Entrepreneurship by Community-Based Organizations: Innovations and Learning through Partnerships." In *Social Enterprise-Context-Dependent Dynamics in a Global Perspective*, 79–101. London: IntechOpen.

Shepherd, D. A., and H. Patzelt. 2011. "The New Field of Sustainable Entrepreneurship: Studying Entrepreneurial Action Linking "What is to be Sustained" with "What Is to Be Developed"." *Entrepreneurship Theory and Practice* 35 (1): 137–163. https://doi.org/10.1111/j.1540-6520.2010.00426.x.

Yen, Y. F., J. F. Tseng, and H. K. Wang. 2015. "The Effect of Internal Social Capital on Knowledge Sharing." *Knowledge Management Research & Practice* 13 (2): 214–224. https://doi.org/10.1057/kmrp.2013.43.

Zahra, S. A., E. Gedajlovic, D. O. Neubaum, and J. M. Shulman. 2009. "A Typology of Social Entrepreneurs: Motives, Search Processes, and Ethical Challenges." *Journal of Business Venturing* 24 (5): 519–532. https://doi.org/10.1016/j.jbusvent.2008.04.007.