Sustainable Development Practices of Social Enterprises in Guangdong Hong Kong Macao Greater Bay Area: Basis for Strategic Plan

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Abstract. This study employed quantitative analysis methods to comprehensively examine the sustainable development practices and challenges faced by social enterprises in the Guangdong–Hong Kong–Macao Greater Bay Area in aspects of economy, society, environment and governance. The results present a panoramic view of the current state of sustainable development of social enterprises, and delve deeply into analyzing the key difficulties encountered in the development process, such as market environment pressures, multi-objective dilemmas, and uncertainty in the policy environment. The study indicates that although sample enterprises still have shortcomings in promoting sustainable products and services, they have laid the foundation for building economic sustainability. Meanwhile, the mechanisms for assessing and disclosing social impact urgently need to be strengthened. Companies demonstrate a high level of commitment to environmental protection, but there are still limitations in information transparency. Certain effectiveness has been achieved in corporate governance and fulfillment of social responsibilities. The study proposes proactive countermeasure suggestions in multiple dimensions including business transformation, management innovation and policy advocacy, to ensure the standing of social enterprises in market competition, and gradually optimize the external environment. This study elucidates the current state, influencing factors and strategic demands for the sustainable development of social enterprises, providing important reference for practitioners and policy makers.

Keywords: environment, governance, policy environment, quantitative analysis methods, social enterprises, sustainable development

1. Introduction

As a business model, social enterprises play a key role in solving today's social and environmental problems. As social responsibility and sustainable development issues become more urgent, social enterprises have become increasingly important in the business world (Zhang, 2020). The mission of social enterprises is not only to achieve commercial success, but also to create positive social impact through commercial means. This characteristic creates a warning (Wang& Zhang 2021).

However, social enterprises encounter double challenges in practice. First, they need to survive and thrive in a highly competitive market while fulfilling their social mission, which requires them to be highly competitive and innovative (Li, 2019). Secondly, social enterprises must strike a balance between commercial mission and social mission to ensure social impact while generating sufficient profits for the sustainability of the enterprise (Chen, 2018). In addition, uncertainty in legal regulations, financial issues, and market competition pressure also pose continuing threats to social enterprises (Zhou, 2017).

In this context, the issue of sustainable development of social enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area is extremely important (Wu & Liu, 2019). The Guangdong-Hong Kong-Macao Greater Bay Area is one of the most dynamic and development potential areas in China. Social enterprises taking root and developing here can not only bring new impetus to the local economy, but also contribute to more stable social issues. Therefore, it is of great theoretical and practical significance to conduct an in-depth study of the sustainable development strategies of social enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area and explore how to solve social and environmental issues while achieving commercial success (Zhang, 2022).

This study aimed to explore the basis for sustainable development of social enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area by analyzing their operating models, strategic choices and challenges (Yang, 2021). Through an in-depth discussion of social enterprises, the researcher explored how social enterprises can formulate effective strategic planning in the business environment to achieve their business goals and social mission (Zhao, 2019). The research provided valuable experience and inspiration for practitioners (investors, social enterprise personnel) and policy makers (Chinese government, future researchers, academia) in the field of social enterprises, and contributed

to the development of the Guangdong-Hong Kong-Macao Greater Bay Area. Also, the study aimed to provide guidance for the sustainable development of social enterprises, promote the vigorous development of social enterprises in the region, and contribute to building a sustainable social and economic environment.

2. Methodology

Through a questionnaire survey, the current practices of social enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area were selected, and existing problems or concerns were analyzed from various dimensions and corporate performance.

The design used observation and surveys to collect data. The collected data were analyzed descriptively using frequencies, percentages, averages, or other statistical analyses to demonstrate the performance of each variable.

The study focused on the sustainable development strategies of social enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area. A systematic approach was needed to gain insights into how these strategies impacted economic, social, and environmental performance and to provide valuable information, data, and advice for decision-making in the field of sustainable development.

Therefore, the study adopted a descriptive research design method. It was defined as a type of research aimed at obtaining information to systematically describe a phenomenon, situation, or group.

2.1. Sampling Procedure

The population and samples for this study were drawn from selected social enterprise organizations in the Guangdong-Hong Kong-Macao Greater Bay Area. Specifically, the study included social enterprises across various industries, such as manufacturing companies, technology internet companies, and medical biotechnology companies, all of which actively pursued social and environmental sustainability in their operations. The availability and cooperation of respondents were essential aspects, enhancing the efficiency and effectiveness of data collection (Domingo, 2023a; Domingo, 2023b; Domingo, 2023c).

2.2. Respondents

The interviewees for this study on the sustainable development strategies of social enterprises in the Guangdong–Hong Kong–Macao Greater Bay Area involved multiple participants or thematic groups, including but not limited to the following:

Collaboration with a range of stakeholders, including managers and executives, employees, partners, and experts, was critical to the sustainable development of social enterprises. These diverse groups provided valuable perspectives and insights that could inform strategy development, improve workforce management, strengthen partnerships, and enhance overall organizational effectiveness. By actively engaging these stakeholders through methods such as surveys, research, and expert consultations, social enterprises could ensure that their strategies were not only aligned with their social mission and business objectives but also rooted in evidence-based practices, creating an environment of collaboration and trust that was essential to achieving their overall goals and addressing pressing social and environmental challenges.

For the research, a total of three comprehensive samples of social enterprises from different industry types were selected in the Guangdong–Hong Kong–Macao Greater Bay Area. One well-known representative enterprise from each type of social enterprise was chosen for investigation, ensuring coverage of various types of social enterprises across the entire spectrum of research fields. To achieve this, each enterprise selected samples of 5, 15, or 50 individuals based on the number of stakeholders. Questionnaire surveys were then conducted to ensure the rationality and representativeness of the sampling, as well as the quality and credibility of the research results.

Table 1 shows the distribution of respondents.

Table 1

Distribution of Respondents

Company	Sample	Sample Size
Manufacturing Industry Category: BYD (a famous electric vehicle manufacturer)	Administrator/Manager	5
	Employee/Staff	15
	Customer	50
Technology and Internet Category: Huawei Technologies Co., Ltd.	Administrator/Manager	5
	Employee/Staff	15
	Customer	50
Medical Biotechnology Category: Shenzhen BGI Group	Administrator/Manager	5
	Employee/Staff	15
	Customer	50
Total		210

The basic information of the people surveyed in social enterprises in the Guangdong–Hong Kong–Macao Greater Bay Area includes the distribution as to respondent types, gender, age, and citizenship status.

2.3 Research Site

The Guangdong–Hong Kong–Macao Greater Bay Area is located in southern China. It is a large urban agglomeration with a superior geographical location, including 9 cities in Guangdong Province, the Hong Kong Special Administrative Region, and the Macao Special Administrative Region. The region spans the Pearl River Delta, is vast, and has a large population. It is one of the most dynamic and potential urban agglomerations in the world. However, the Guangdong–Hong Kong–Macao Greater Bay Area is not only a strategic location, but many of its characteristics and variables have also become the focus of researchers.

The Guangdong–Hong Kong–Macao Greater Bay Area has strong economic strength and is one of the richest and most innovative regions in China. Its geographical location makes it an important gateway for international trade, attracting many multinational companies and entrepreneurs. There are abundant market opportunities here, and various industries and fields, from technological innovation to financial services, have development potential.

In addition, the Guangdong–Hong Kong–Macao Greater Bay Area is a multicultural area that brings together people from different backgrounds and cultures. Here, Mandarin, Cantonese, English and other languages coexist, providing opportunities for international exchanges and cultural integration, but also bringing challenges of language and cultural differences.

The Chinese government supports the construction of the Guangdong–Hong Kong–Macao Greater Bay Area and implements a series of reform policies to promote economic and social development. For example, the Guangdong–Hong Kong–Macao Greater Bay Area development plan will promote closer cooperation, market opening and legal system reform to attract more international companies and investment.

Environmental and sustainable development challenges: Although the Guangdong–Hong Kong–Macao Greater Bay Area is economically prosperous, it also faces environmental issues and sustainable development challenges. Industrialization and urbanization lead to air and water pollution and pressure on natural resources. Therefore, how to achieve environmental sustainability has become the focus of researchers, and economic growth is an important research variable.

Also, in the Guangdong–Hong Kong–Macao Greater Bay Area, social enterprises and sustainable development have received increasing attention. Researchers focus on how to solve social and environmental problems while promoting economic growth through social innovation and corporate social responsibility. Research in this area can help formulate strategies to ensure the sustainable development of the Guangdong–Hong Kong–Macao Greater Bay Area.

3. Results and Discussion

3.1. Profile of the Respondents

In terms of business nature, the analysis indicates that the three sample enterprises represent major industry types within the social enterprise sector, encompassing manufacturing, service, and merchandise marketing. This diversity underscores the representativeness of the sample and offers insights into the broad business landscape of social enterprises across industries. However, there is a slight limitation in the focus on only one area of social service, suggesting a narrower scope. Moreover, all sample enterprises are categorized as large, which aligns with existing literature but overlooks the inclusion of small and micro enterprises, thereby constraining the research perspective. While the sample primarily operates within the 11-40 years range, indicating a mature stage for analysis, the absence of the full life cycle impedes the observation of developmental changes over time. Nevertheless, the range of sustainable development years is broader than previous studies, facilitating comparisons of strategy effectiveness across different developmental stages and enhancing research opportunities. Overall, while the sample demonstrates representativeness and offers a comprehensive research perspective, expanding the sample range could further enhance the scientific rigor and applicability of the research.

3.2. Current Sustainable Development Practices of Social Enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area

3.2.1 Economic Aspect

In terms of business nature, the analysis indicates that the three sample enterprises represent major industry types within the social enterprise sector, encompassing manufacturing, service, and merchandise marketing. This diversity underscores the representativeness of the sample and offers insights into the broad business landscape of social enterprises across industries. However, there is a slight limitation in the focus on only one area of social service, suggesting a narrower scope. Moreover, all sample enterprises are categorized as large, which aligns with existing literature but overlooks the inclusion of small and micro enterprises, thereby constraining the research

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3.2.2 Social Aspect

The data reveals that while some companies have established social impact assessment systems, there are gaps, particularly in environmental impact assessment, and the quantitative measurement of social impact needs strengthening. However, frequent cooperation and interaction between enterprises and communities are observed, reflecting the characteristics of social enterprises and contributing to local community development. Moreover, companies excel in inclusive recruitment and employment, promoting social equity, and they require suppliers to comply with ESG guidelines, fostering upstream and downstream sustainable development. Additionally, they prioritize employee ESG awareness training and customer orientation, enhancing internal culture and customer satisfaction. Nonetheless, strategic cooperation with stakeholders and the construction of evaluation systems require strengthening to maximize social effects, necessitating partnerships with employees, communities, governments, and industry organizations.

3.2.3 Environmental Aspect

The interviewed companies demonstrate a moderately positive attitude towards environmental management practices, as shown by the overall average score of 2.82 on relevant measures. While systematic and integrated environmental management systems are still lacking, efforts have been made across areas like energy conservation, waste reduction, and environmental monitoring to become more environmentally friendly.

Specifically, the highest average score is on waste reduction initiatives, reaching 2.88. This indicates companies have taken tangible steps to minimize waste generated from operations. Related actions to reduce energy and water

consumption also receive relatively high scores above 2.80, spotlighting organizational efforts to improve resource efficiency.

Having an environmental policy and monitoring system in place, though still modest, shows a baseline commitment to understanding environmental impact. These can serve as building blocks for more structured environmental management down the road.

In summary, the survey data reveals a directionally positive stance of companies towards adopting environmentally sustainable practices, though there is room for improvement in terms of integrating sustainability into business strategy and daily management. Specific initiatives have been taken to mitigate environmental footprint, demonstrating early stage progress.

Standardizing internal policies, management systems, performance monitoring and stakeholder engagement related to environmental sustainability will be important next steps for companies to make good on this commitment. A more systematic approach can help translate high-level visibility into concrete actions and closed-loop accountability on targets.

3.2.4 Good Governance Aspect

The company has established a mechanism for policy promotion and stakeholder communication, with an average score of 2.73, indicating a level of agreement. This shows that the company has maintained certain communication and cooperation with the public and stakeholders.

Enterprises are more active in promoting industry sustainable development policy formulation, with an average score of 2.83, close to the level of agreement. This shows that enterprises have played a certain leading role in industry governance and standard setting (Chen, 2016).

The company has established a social impact assessment and improvement mechanism, with an average score of 2.85, reaching the agreed level. This signifies that the company pays attention to the fulfillment of corporate social responsibilities.

Information disclosure and corporate governance have also received attention from enterprises, with an average score between 2.7-2.8. This reflects the enterprise's implementation of a certain level of governance structure and processes (Zhao, 2019).

Overall, the interviewed companies have achieved a certain degree of success in terms of governance and social responsibility, but they need further

improvement and improvement to reach the industry's best level. The average score is between 2.8-3 points, and the overall rating is agreed (Shi, 2020).

3.3. The Impact of Sustainable Development Practices of Social Enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area

3.3. 1 Marketing Aspect

The interviewed companies exhibit commendable performance in sustainable marketing practices, with average values across 10 dimensions ranging from 2.8 to 2.93, reaching the "agree" level overall. Notably, they excel in product/service promotion and community participation, as indicated by the highest mean values in these areas. However, there is room for improvement in foundational aspects like sustainable product design, which scored slightly lower. While the companies' marketing efforts contribute to achieving multiple bottom-line goals, enhancing sustainability considerations in basic aspects such as product design is crucial for deeper and broader marketing sustainability. Furthermore, attention to balancing economic efficiency with social and environmental value goals is essential. Looking ahead, companies can leverage regional cooperation in the Guangdong-Hong Kong-Macao Greater Bay Area and strengthen engagement in relevant standards and certifications to further promote their unique value proposition and products.

3.3. 2 Operational Aspect

The interviewed companies demonstrate solid performance in operations, with average values across 10 dimensions ranging from 2.75 to 2.9, achieving an overall average of 2.81, indicating agreement with sustainable development considerations. Notably, they excel in areas such as labor environment, employment of disadvantaged groups, and employee training, aligning with the ethos of social enterprises. However, weak information disclosure transparency limits their social influence. While aspects like employee training receive high scores, indicators such as detailed social impact data recording and public reporting lag behind. Improvement areas include enhancing information transparency, social impact management, and addressing gaps compared to top-performing indicators. Strengthening regional cooperation, improving evaluation

standards, and leveraging the Greater Bay Area's resources are suggested strategies to deepen social responsibility integration and achieve comprehensive sustainable development. Further emphasis on employee training and participation is recommended to imbue daily operations with social responsibility, aligning with the enterprise's social attributes and achieving multiple bottom lines.

3.3.3 Financial Aspect

The sustainable development performance of the interviewed companies in terms of finance is average. The average value of the five dimensions is between 2.71-2.92, and the overall average is 2.82, reaching the "agree" level. This means that companies have a certain degree of social benefit and influence considerations in financing and investment.

Data results show that although the interviewed companies reflect certain social considerations in investment and financing, the overall level is still relatively rudimentary. There are still gaps with the characteristics of social enterprises.

The Guangdong-Hong Kong-Macao Greater Bay Area is in a stage of rapid economic development and is also facing certain social problems and imbalances. It needs to promote more sustainable development through new business models.

Specifically, the dimension "most of the funds are used for investment or financing to pursue social welfare" has the highest mean value (2.92), indicating that companies have initially paid attention to financing and investment for social benefits. However, the mean value of "beginning to pay attention to social impact investment and financing" is low (2.71), indicating that this kind of attention or practice is still relatively rudimentary. For social enterprises to achieve multiple bottom lines, financing and investment are key links. Through social impact investment, attract more socially responsible funds and achieve a balance between social and economic benefits. Combined with the superior resource endowments of the Guangdong-Hong Kong-Macao Greater Bay Area, regional cooperation can be strengthened in the future to jointly improve the social impact assessment system and develop relevant financial products or platforms to expand financing channels for social enterprises. It can strengthen the capacity building of enterprises in strategic planning and financial management. And

through the successful and typical demonstration effect, it will drive more organizations in the region to transform into social benefit financing.

3.4. Challenges Encountered by Social Enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area in the Implementation of Sustainable Development Practices

The interviewed social enterprises face significant market competition pressures, as indicated by their average scores ranging from 2.81 to 2.88 across five dimensions, with an overall average of 2.84, signifying agreement. Notably, they strongly feel the competitive pressure but struggle with customer trust in competitors. This reflects their challenge in market positioning and brand influence establishment. Additionally, they grapple with balancing social missions and business goals, evident in their average scores between 2.81 and 2.86, illustrating the dilemma between pursuing social benefits and economic independence. This highlights the need for strategic alignment and employee understanding of dual objectives. Moreover, social enterprises encounter issues with unclear laws and regulations, with an overall average of 2.81, indicating agreement. While they recognize imperfect regulations, they lack confidence in government policies, necessitating legal system improvements and enhanced government support. Financing remains a significant challenge, with average scores between 2.74 and 2.95, underscoring difficulties in obtaining bank loans and mainstream financing channels' lack of understanding. This calls for innovative financing solutions and increased social awareness. Talent shortages pose another obstacle, with average scores ranging from 2.8 to 2.92, highlighting high employee turnover and difficulties in attracting talent due to compensation limitations. Addressing these challenges requires incentive mechanism design and cultural reinforcement to enhance employee retention and engagement.

3.5. Proposed Strategic Sustainability Plan
The plan proposes strategic measures in four areas – economic, social, environmental, and governance – to help social enterprises achieve dual goals of

business and social returns, and attain self-sustainability.

On the economic front, the company plans to improve financial monitoring, expand financing channels, strengthen cost control, optimize tax structure, establish risk alert systems, etc. to enhance capital efficiency, manage business risks, reduce tax burden, and ensure sound financials to support sustainable development. This demonstrates the company's approach of leveraging economic drivers to achieve strategic goals.

On the social aspect, the company intends to introduce social impact assessment models, organize charity events, support education, collaborate on welfare projects, etc. to exert corporate social responsibility and positive influence. Meanwhile, it will also strengthen employee training on social responsibility and corporate culture building. This will help improve corporate image and gain social recognition.

Regarding the environment, the company will promote green production, waste recycling, eco-friendly suppliers, and plans to set up a low-carbon development fund to support technology transformation for environmentally friendly companies. This reflects the company's commitment to practicing green development philosophy and fulfilling environmental responsibilities.

For corporate governance, the company will establish internal and external audit and oversight mechanisms, information disclosure systems, improve management frameworks, while enhancing employee responsibility awareness and team cohesion, regulating information disclosure practices. This will contribute to building a standardized, transparent governance structure and internal management environment.

In summary, the strategic plan is comprehensive, covering key aspects of corporate economic development, social responsibility, environmental friendliness and governance. It holds important guiding significance for promoting enterprise sustainability.

4. Conclusion

The research reveals that the sampled social enterprises, predominantly engaged in manufacturing, services, and commodity marketing, display diversified business models. They exhibit strong performance in formulating fair labor policies, sustainable finance, and establishing ESG evaluation systems, indicating progress in economic sustainability. While they excel in sustainable

marketing, including product design and community involvement, foundational areas like sustainable product design require strengthening. The survey highlights significant market competition pressure and challenges in achieving dual social and economic objectives, impacting sustainable development negatively. The strategic plan proposed offers comprehensive improvement suggestions across economic, social, environmental, and governance dimensions, serving as valuable guidance for promoting self-sustainable development among social enterprises.

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