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Evaluation of Hybrid Business Models in Indonesian State-Owned Enterprises: A Literature Review on the Reality of Social Entrepreneurship at PNM and Danantara

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Abstract*– The transformation of State-Owned Enterprises (SOEs) towards a hybrid business model has now become a key strategy for addressing social challenges in Indonesia. However, there is skepticism as to whether this initiative truly fosters self-sustaining social enterprises or simply constitutes conventional social assistance programs. This Literature Review Paper (LRP) aims to evaluate the reality of social enterprise at PT Permodalan Nasional Madani (PNM) and PT Daya Anagata Nusantara (Danantara) through a systematic literature review of 15 accredited academic journals spanning the years 2014–2024. The analytical method employed is a matrix synthesis to identify research gaps from a strategic perspective. Findings from this review indicate significant managerial and contextual gaps, where existing programs frequently face the risk of mission drift due to financial efficiency pressures overshadowing their social mission. Furthermore, a lack of integration of impact measurement metrics, such as Social Return on Investment (SROI), within major investment strategies was identified. The implications of this study emphasize the need for a reorientation of KPIs focused on client self-reliance and social impact accountability to ensure the transition of programs into sustainable social enterprise entities. This paper makes a theoretical contribution to the strategic management literature regarding the management of hybrid organizations in the Indonesian public sector.

Keywords: Social Entrepreneurship, Hybrid Business Model, PNM, Danantara, Research Gap, Strategic Management.

I. INTRODUCTION

The concept of social entrepreneurship within State-Owned Enterprises (SOEs) marks a strategic paradigm shift from pure profit *-seeking* to dual value creation . This transformation demands the adoption of a hybrid business model that integrates commercial logic to ensure financial sustainability with social logic focused on community empowerment [1] . In the Indonesian corporate landscape, PT Permodalan Nasional Madani (PNM) and its superholding supporting entities such as PT Daya Anagata Nusantara (Danantara) are crucial representatives of this dynamic. PNM, through inclusive financing services such as Mekaar, acts as a driver of social capital at the grassroots level, while Danantara plays a strategic role in optimizing capital allocation and overseeing the consolidation of state assets [2] .

While the integration of social and commercial values may seem ideal, its practical implementation often faces institutional complexity and blurred operational boundaries. The urgency of this study stems from the unclear boundaries between conventional social assistance programs, which are often charitable in nature and dependent on Corporate Social Responsibility (CSR) allocations, and the formation of financially independent *social enterprises* [3] . Reliance on internal corporate subsidies or government funds remains dominant, making these empowerment programs vulnerable to long-term failure when capital intervention is discontinued. This raises crucial questions about the extent to which state-owned enterprises (BUMN) are able to maintain their business efficiency without sacrificing their primary social mission [4] .

In an effort to address these issues, this literature review paper (LRP) synthesizes findings from 15 reputable academic journals that examine hybrid business models, SOE governance, and the effectiveness of social entrepreneurship [5] . The literature review focuses on a critical analysis of the value creation mechanisms, operational efficiency, and level of financial independence achieved by PNM and strategic consolidation under Danantara. This synthesis specifically evaluates how the dynamics of *institutional voids* in Indonesia affect the resilience of

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hybrid models when implemented in state-owned entities [6] , [7] .

Using this systematic approach, this study identifies three main gaps in the current literature, namely *the theoretical gap related to mission drift* mitigation in hybrid state-owned enterprises (BUMN), *the contextual gap* regarding the application of social entrepreneurship in the superholding ecosystem in developing countries, and *the managerial gap* in the preparation of key performance indicators (*KPIs*) that balance social impact and financial returns [8] , [9] , [10] . By bridging these three gaps, this LRP provides a theoretical contribution to the strategic management literature while offering practical guidance for policymakers in designing sustainable BUMN social business models.

The urgency of writing this paper is based on the blurring of boundaries between conventional social assistance programs and the formation of a true social enterprise entity. Without business model independence, these programs are vulnerable to long-term failure. The main issue raised is the existence of a research gap regarding the effectiveness of transforming social programs into social enterprises.

II. LITERATURE REVIEW

True social entrepreneurship rests on the foundation of a hybrid business model that inherently integrates market logic for financial sustainability and social logic for poverty alleviation. The fusion of these two conflicting institutional logics consistently triggers internal tensions and operational dilemmas (*institutional complexity*) [4] . In the context of State Owned Enterprises (BUMN), this challenge is reflected in PT PNM's Mekaar (Fostering a Prosperous Family Economy) program.

Based on the literature documenting PNM's success in expanding inclusive financial access for millions of women in the ultra-micro sector, a critical study identified fundamental doubts regarding its long-term effectiveness [11] . The literature review questions whether such financial interventions are capable of encouraging the formation of independent *social enterprises* through "graduation" of the economic level of clients, or whether they merely trap ultra-micro entrepreneurs in a continuous cycle of *debt dependence.*

The emergence of PT Daya Anagata Nusantara (Danantara) as a new *superholding entity* presents a new dimension in impact-oriented governance and allocation of state capital. As a strategic portfolio manager, Danantara is expected to be able to direct public capital to optimize broad socio-economic benefits without neglecting commercial returns [12] . Strategic management studies highlight the significant risk of mission drift , where market incentives and financial performance pressures have the potential to erode the priority of social empowerment.

Adopting a comprehensive evaluation framework such as *Social Return on Investment* (SROI) or measurable dual accountability metrics, Danantara's allocation of state capital risks being reduced to conventional corporate investment that marginalizes its fundamental function as a development agent. The dynamics of PNM Mekaar and Danantara's strategic leadership demonstrate a fundamental gap *in* the literature regarding the effectiveness of hybrid models at both macro and micro scales [13] . Most studies tend to focus on either one pole of pure financial performance or qualitative social impact, leaving limitations in understanding how SOE regulation, portfolio governance, and grassroots capital interventions interact harmoniously [14] .

Therefore, this literature review emphasizes the importance of building a new conceptual framework that can map the boundaries of hybrid interventions. This framework is needed to evaluate whether the SOE social business model is truly capable of creating sustainable economic transformation for vulnerable communities or simply diverting social assistance instruments into conditional financing schemes.

III. RESEARCH METHODS

This research uses a systematic literature review method. Data collection was conducted through academic databases such as Google Scholar, ResearchGate, and ScienceDirect with relevant keywords in Indonesian and English. Inclusion criteria included journals from the last ten years (2014–2024), through a peer-review process, and accredited (at least Sinta 2 or Scopus) [15] . Fifteen key journals were selected and analyzed using a matrix synthesis technique based on objectives, methodology, and key findings to identify research gaps theoretically, contextually, and managerially.

IV. RESULTS AND DISCUSSION

Results

The results of the literature synthesis identified a number of significant research gaps *in* the discourse on social entrepreneurship and hybrid SOE

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governance. Theoretically, current literature still shows conceptual ambiguity regarding the operational boundaries *of the Social Business Model* (SBM), especially in aligning market logic and social logic. In addition, there is an urgent need to substantively integrate *Environmental, Social, and Governance (ESG)* principles into core corporate strategies. Most research so far still treats ESG as a mere instrument for compliance reporting *or* administrative legitimacy, not as a primary driver of dual value creation *in* entities such as PNM and Danantara.

Empirically and contextually, the literature search revealed inconsistent findings *and* geographical limitations of the research. The impact of financial inclusion on the performance and sustainability of Micro, Small, and Medium Enterprises (MSMEs) does not always show a positive linear correlation; some studies have even found potential *over-indebtedness* among vulnerable groups. This gap is exacerbated by *the contextual gap* , where the majority of SBM and social entrepreneurship studies focus on developed country ecosystems or non-governmental organizations. As a result, the generalizability of the theory is very limited when applied to specific state-owned enterprise-structured institutions in Indonesia which have unique regulatory, political, and emerging market dynamics characteristics.

From a methodological perspective, previous studies have often been limited by quantitative research designs with relatively small sample sizes or a single qualitative approach that is difficult to generalize. The main problem is the lack of a universally equivalent standard for quantitatively evaluating social impact, such as the *Social Return on Investment (SROI) metric compared to* established financial performance indicators . This methodological limitation makes it difficult for researchers and practitioners to gauge the extent to which social interventions actually produce structural transformation at the customer level, or simply provide temporary impact.

Managerially, the literature findings underline the existence of a fundamental *managerial gap in the strategy execution system.* Empowerment programs in state-owned enterprises (SOEs) are often trapped in a conventional philanthropic or *Corporate Social Responsibility* (CSR) mindset that focuses on aid rather than on building the independence of the client's business entity. This creates a high risk of *mission drift* , where increasing pressures for profitability and financial efficiency gradually shift the initial goal of empowerment. Without alignment of key performance indicators (*KPIs*) that accommodate a hybrid logic, managerial leadership will continue to struggle to maintain a balance between commercial returns and client economic independence.

Discussion

Based on the synthetic findings of the five research *gaps* , the discussion of this study confirms that the success of the transformation of SOEs towards a hybrid business model is highly dependent on a reconceptualization of strategies that go beyond conventional philanthropic mindsets. The alignment of *Environmental, Social, and Governance (ESG)* principles into the core business of PT PNM and PT Daya Anagata Nusantara (Danantara) can no longer be positioned as merely fulfilling administrative burdens, but rather as strategic differentiation. In the context of PNM Mekaar, mitigating the inconsistency of the impact of financial inclusion requires a redesign of financing interventions that prioritize customer "graduation" indicators rather than simply loan portfolio growth [16] .

Integrating financial literacy education and structured business capacity building, the expansion of ultra-micro financing actually risks executing *mission drift* covertly through the commercialization of poverty. At the macro governance level, Danantara's strategic position as a manager of the country's investment portfolio demands a standardized impact evaluation framework to bridge the existing *methodological gap* . The use of measurement instruments such as *Social Return on Investment* (SROI) and *the Global Reporting Initiative* (GRI) is crucial to quantify the social value generated to be equivalent to financial return metrics (*Return on Equity* or *Return on Assets*) [17] . The inability to formulate this integrated measurement tool has the potential to trigger a *managerial gap* , where management at the state-owned enterprise subsidiary level tends to pursue short-term profitability targets to meet market compliance, while neglecting the social mission that was the initial mandate of the entity's establishment in the *superholding ecosystem* [18] .

Thus, the need to establish a regulatory ecosystem and managerial framework capable of accommodating the dual nature *of* hybrid SOEs in developing countries. Addressing *the contextual gap* that has been dominated by Western literature requires the formulation of a uniquely Indonesian

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Social Business Model (SBM) that considers the characteristics of local social capital and the high presence of *institutional voids* . By integrating a managerial incentive system based on dual performance indicators (a social-commercial *balanced scorecard*), PNM and Danantara can demonstrate that financial sustainability and inclusive community empowerment can work synergistically without compromising each other .

V. CONCLUSION AND SUGGESTION

The implementation of a hybrid business model at PT PNM and PT Danantara shows both great potential and significant strategic challenges. Key findings indicate managerial and contextual gaps where empowerment programs have not fully transformed into economically independent social enterprises. A strategic reorientation is needed through redefining KPIs to reflect customer independence and integrating SROI metrics as performance evaluation standards. Future research is recommended to focus on the effectiveness of customer graduation programs and the design of strategic investment portfolios with high social externalities.

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