

MAINTAINING OF SOCIAL ENTERPRISE SUSTAINABILITY IN COVID-19 AND POST ERA: AN EXAMINATION OF PERFORMANCE MEASUREMENT METHODS

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ABSTRACT

This study aims to investigate the strategies employed by social enterprises in Indonesia to maintain their sustainability during the Covid-19 pandemic and post era. Social enterprises play a crucial role in addressing societal challenges by combining business approach with social missions and achieving Sustainable Development Goals (SDG's). However, the COVID-19 has posed significant challenges to the sustainability of these enterprises. The research method involves conducting in-depth interviews with five CEOs from diverse social enterprises operating in Indonesia. The findings are that social enterprises have developed specific performance measurement methods to maintain their agility in the face of crises. These methods are more than traditional financial indicators and encompass broader dimensions such as social impact, environmental sustainability, and community engagement. By employing qualitative methods, social enterprises are able to capture the nuances and complexities of their operations, providing a more comprehensive understanding of their performance.

Keywords: Social Enterprise; Sustainability; Performance Measurement; Pandemic

ABSTRAK

Penelitian ini bertujuan untuk menyelidiki strategi yang digunakan oleh wirausaha sosial di Indonesia untuk mempertahankan keberlangsungan usaha mereka selama masa pandemi Covid-19 dan pasca pandemi. Usaha sosial memainkan peran penting dalam mengatasi tantangan sosial dengan menggabungkan pendekatan bisnis dengan misi sosial dan mencapai Tujuan Pembangunan Berkelanjutan (SDG). Namun, COVID-19 telah menimbulkan tantangan yang signifikan terhadap keberlanjutan usaha-usaha ini. Metode penelitian ini dilakukan dengan melakukan wawancara mendalam dengan lima CEO dari berbagai perusahaan sosial yang beroperasi di Indonesia. Temuannya adalah bahwa usaha sosial telah mengembangkan metode pengukuran kinerja khusus untuk mempertahankan kelincahan mereka dalam menghadapi krisis. Metode-metode ini lebih dari sekadar indikator keuangan tradisional dan mencakup dimensi yang lebih luas seperti dampak sosial, keberlanjutan lingkungan, dan keterlibatan masyarakat. Dengan menggunakan metode kualitatif, usaha sosial dapat menangkap nuansa dan kompleksitas operasi mereka, sehingga memberikan pemahaman yang lebih komprehensif tentang kinerja mereka.

Kata-kata Kunci: Wirausaha Sosial; Keberlanjutan; Pengukuran Kinerja; Pandemi

INTRODUCTION

Social enterprises and businesses are facing challenges in maintaining their viability due to extended government restrictions and global movement restrictions caused by the COVID-19 pandemic. Economic recovery has been hampered by measures such as social distancing and lockdowns (Glynn, 2021). Understanding the critical actions that social enterprises need to take to achieve sustainability is crucial (World Economic Forum, 2020). To address this issue, conducting an exploratory investigation to understand the concept of social enterprise sustainability in the context of the COVID-19 pandemic is crucial. Social enterprise sustainability refers to the process of creating long-term solutions to social, economic, or environmental problems that cannot be addressed by the market (Kamaludin et al., 2021; Santos and Roberts, 2013). In this study, the term sustainability specifically relates to the sustainability of social entrepreneurship. Despite the growing body of scholarly literature on the impact of the pandemic, there is still limited empirical research examining the entrepreneurial actions that social enterprises should take to ensure the sustainability of their ventures during this unexpected time of crisis. This research gap emphasizes the need for academics to provide important empirical evidence that can provide practitioners with appropriate strategies to promote sustainability in their social enterprises.

In a study by Giones et al. (2020), a series of strategies, such as planning, austerity, and emotional support, were proposed to address the challenges associated with entrepreneurial actions aimed at mitigating external disruptions caused by the pandemic. The far-reaching impact of the health, economic and social implications on businesses around the world, affecting the global population, is already evident. Weaver (2020) designed research explicitly aimed at social entrepreneurs to navigate this challenging period, highlighting resilient approaches and a focus on innovation as viable ways to achieve sustainability in social enterprises. Kuckertz et al. (2020) share a similar viewpoint, advocating for the adoption of resilient strategies to ensure sustainability during the pandemic. Therefore, it is important to conduct a qualitative analysis of five social enterprises operating in Indonesia that effectively achieved sustainability during the pandemic crisis. This study aims to offer important empirical data that has been missing in previous research on the COVID-19 pandemic. The selection of Indonesia for this case study design is validated by its recognition as an emerging domain in social entrepreneurship studies in relevant academic literature (British Council, 2019) coupled with its exposure to external shocks triggered by the COVID-19 pandemic. The exploration of social entrepreneurship in Indonesia has considerable potential to generate valuable and significant contributions to the global network of scholars and practitioners engaged in social entrepreneurship sustainability.

The main objectives of this research encompass a tripartite framework. Primarily, it seeks to conduct an in-depth exploration and comprehensive understanding of the necessary entrepreneurial

strategies that are critical to realizing sustainability amidst the complicated and challenging environment posed by the COVID-19 pandemic. This complex and nuanced phenomenon calls for a methodical and rigorous investigation, which is poised to yield theoretical insights and pragmatic applications. Second, this research is poised to gain greater clarity regarding the impact of the COVID-19 pandemic on the sustainability of social entrepreneurship. This nuanced inquiry entails the thoughtful extraction of insights from narratives articulated exclusively by chief executive officers (CEOs) and founders of sustainable social enterprises. Third, this study aims to expand the basic scientific discourse on the impact of the COVID-19 pandemic in the sphere of social entrepreneurship, as previously outlined by (Bacq et al., 2020).

RESEARCH METHODOLOGY

In this research, an exploratory methodology was used to examine a series of case studies in the context of social entrepreneurship in Indonesia. The use of an exploratory case study approach is particularly suited to the realm of social entrepreneurship, given its nuanced and complex nature. Case study research is a commonly used methodological option among academics engaged in qualitative research. In this study, several cases were subjected to critical evaluation, which was facilitated by the application of semi-structured interviews conducted with chief executive officers (CEOs) and founders of social enterprises. The main objective of these interviews was to gain insights into the strategic entrepreneurial determinations and ventures that supported the achievement of sustainability both during the pandemic and its aftermath.

The outcomes of these articulated objectives are anticipated to provide pivotal empirical substantiation with discernible utility for a broad spectrum of stakeholders, practitioners and social entrepreneurs on a global scale. The use of appropriate and effective methodologies, such as those derived from this research, are poised to facilitate the invigoration and sustainability of social enterprises amidst pandemic conditions. Concurrently, the introduction of thematic considerations relevant to the sustainability of social entrepreneurial ventures provides a salient impetus for subsequent empirical investigations. These upcoming scientific explorations have the potential to scrutinize and empirically validate various theoretical propositions, thereby providing prospects for unearthing research results that have intrinsic value. Therefore, this research assumes an important role in the field of social entrepreneurship by offering adaptive strategies and optimal operational practices, which are critical to addressing the challenges posed by the COVID-19 pandemic and the post-pandemic period.

Therefore, this sampling approach is crucial as it seeks to ensure a comprehensive spectrum of responses from the designated informants in the targeted sample. The social enterprises studied in this research were carefully selected based on specific criteria: having an operating history of more

than five years and being officially registered with Indonesian government agencies. The selected informants were deliberately drawn from various segments in the social enterprise arena, including sectors such as food and spices, healthcare, handicrafts, fashion and waste management. As postulated by Yin (2014), using a sample size that includes two or more cases proves adequate for the purpose of multiple case study research. Notably, Morse (2000) underlines that when research participants have a broad range of experience in the field under study and show a willingness to share their wealth of knowledge, the required sample size may be modest while achieving data saturation. The strategic selection of CEOs, leaders, and business managers within the field of social entrepreneurship specifically reduces the expected sample size (Morse, 2000).

Table 1. Informant Lists

No.	Respondent Code	Age	Years Operating	Social Enterprise Code	Industry
1.	Distira	31	6 years	SEINA1	Herbs & Spices Artisan
2.	Bima	35	9 years	SEINA2	Healthcare
3.	Aruna	45	10 years	SEINA3	Craft
4.	Nakula	42	13 years	SEINA4	Fashion
5.	Sadiva	30	7years	SEINA5	Recycling

Semi-structured interviews through the Zoom platform, which took place during the period from January to April 2023, involved CEOs and founders of social enterprises in this study. The choice of the Zoom platform stemmed from its convenience and flexibility as an interview medium. Each interview, lasting one hour, aimed to foster a deep understanding of the operational reconfiguration strategies adopted by social enterprises in pursuit of sustainability (Saunders et al., 2019). The main dataset mainly consists of narratives obtained from these in-depth interviews, and its authenticity is supported through data triangulation. Data triangulation included textual and non-textual sources such as online articles, news, and social media content, which served to corroborate and support the emerging findings (Merriam and Tisdell, 2015).

Data analysis in this study was supported by thematic analysis, a powerful and flexible research tool capable of providing comprehensive and intricate insights from complex data sets. This analytical approach, which is inductive in nature, seeks to uncover overarching themes and corresponding sub-themes, leading to the construction of a theoretical framework. The use of coding procedures accelerated the analysis process, leading to the identification and establishment of core themes and associated sub-themes.

RESEARCH RESULT

Conducting in-depth interviews with chief executive officers (CEOs) and founders of social enterprises in Indonesia, specifically within the age range of 30 to 45 years, who have demonstrated operational longevity of over five years, the present study has engaged a total of five informants.

Case Study 1: Distira/SEINA 1

The inaugural case study revolves around Distira, denoted as SEINA 1 for the purpose of this analysis. Distira stands out as a youthful participant in the social enterprise landscape, marked by a noteworthy track record of accomplishments in entrepreneurial competitions and the adept management of its social enterprise initiatives. The overarching objective of this social enterprise is to empower young individuals, fostering their inclination towards gainful engagement within rural settings. This pursuit is underpinned by the astute utilization of natural resources, ensuring both sustainability and ecological preservation.

In the context of the pandemic, Distira has deftly navigated the challenges by orchestrating strategic shifts across product development, marketing endeavors, customer engagement tactics, and partnerships. Notably, these adaptations have encompassed collaborative efforts with governmental bodies and non-governmental organizations (NGOs). To facilitate a comprehensive evaluation of the efficacy of these strategies, an indicator matrix has been instituted. This performance measurement framework equips the CEOs and management with a tangible means of assessing the impact and effectiveness of their undertakings. Consequently, this structured approach empowers them to iteratively refine their actions in response to dynamic market dynamics.

Case Study 2: Bima/SEINA2

This case delves into the endeavors of Bima, a distinguished CEO who has garnered an array of accolades both on a national and international scale. At the heart of his social enterprise lies a mission aimed at enhancing community accessibility through the establishment of waste banks, with a particular emphasis on populations with limited access to healthcare services and medical facilities.

Confronting the challenges of the pandemic, Bima has adroitly steered his initiatives towards heightened innovation within their applications, thereby augmenting user convenience. Concurrently, strategic collaborations with health establishments, governmental bodies, and non-governmental organizations (NGOs) have been expanded to fortify their response to the pandemic's exigencies. Bima and his team have adjoined a performance measurement matrix to their operational framework, strategically assessing their strengths and vulnerabilities amidst the prevailing circumstances. This methodological integration facilitates the agile adaptation of their strategies in the face of dynamic and uncertain conditions.

Case Study 3: Aruna/SEINA3

The third case study centers on Aruna, who embarked upon her social enterprise journey with the overarching objective of empowering young women beset by educational constraints and financial limitations, often compounded by familial responsibilities. This social enterprise, co-founded with her colleagues, aspires to foster the independence of young women within the locale, concurrently generating employment avenues that accommodate the needs of women with children.

Amidst the pandemic's turmoil, Aruna's innovative prowess has come to the fore, as she introduced novel products and bolstered her network of partnerships. Collaborations have been extended to encompass governmental bodies, universities, educational institutions, and NGOs. Noteworthy innovations have been directed towards the digitization of education, facilitating the pursuit of studies while concurrently managing familial responsibilities within the confines of their homes. Anchored within Aruna's strategic approach is the development of a comprehensive strategy matrix, designed to evaluate the extent of effectiveness and progress achieved by both Aruna and her team. This evaluative framework serves as a compass in their journey towards sustained resilience and growth, enabling a measured response to the intricacies of business conditions amidst the pandemic's challenges.

Case Study 4: Nakula/SEINA4

Nakula and the collective embarked on the establishment of a social enterprise against the backdrop of the myriad challenges faced by women with distinct and marginalized needs, often grappling with economic predicaments. Engaged within the domain of fashion, Nakula and the team ingeniously transform fabric waste into clothing and diverse fashion items, thus cultivating a formidable presence within the international realm. Their commendable efforts have been acknowledged through the receipt of multiple national and international accolades.

In the context of the pandemic, Nakula and the team strategically extended their marketing endeavors, harnessing the potency of social media platforms. Moreover, an array of strategies were devised to encompass product diversification, pivoting, network expansion, and consumer engagement enhancement, facilitated by the judicious utilization of platforms like Zoom and other digital mediums. Collaborations with prominent corporate entities, governmental bodies, and non-governmental organizations (NGOs) further underscore Nakula's comprehensive approach.

Case Study 5: Sadiva/SEINA5

Sadiva and her associates embarked upon a socially impactful enterprise within the sphere of recycling and environmental preservation. This initiative was instigated by the recognition that

the appropriate processing of religious documents, in conformity with the tenets of various religions, remained wanting. Consequently, Sadiva and her team harnessed the principles of zero waste management to repurpose religious documents, thus not only addressing a crucial religious requirement but also empowering widowed women who seek to bolster their families' financial sustenance.

In the throes of the pandemic, Sadiva and her team weathered initial setbacks and subsequently managed to enhance their operations by leveraging network expansion.

CONCLUSION

The findings are that social enterprises have developed specific performance measurement methods to maintain their agility in the face of crises. These methods are more than traditional financial indicators and encompass broader dimensions such as social impact, environmental sustainability, and community engagement. By employing qualitative methods, social enterprises are able to capture the nuances and complexities of their operations, providing a more comprehensive understanding of their performance.

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