

An investigation of the internal environment and its effect on the sustainability of social enterprises in Pakistan

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Abstract

This study aims to examine how factors related to internal environment (i.e. human resource skills, organizational culture and funding) affect the sustainability of social enterprises in Pakistan. The three internal factors i.e. human resource skills; organizational culture and funding were hypothesized to have a positive impact on the sustainability of social enterprises in Pakistan. The study employed questionnaire survey to collect data from a total of 300 respondents using convenient sampling. The theoretical model proposed in the current study was tested using structural equation modeling. The structural model supports all hypotheses proposed in the current study. Results suggest that human resource skills, organizational culture and funding have significant positive impact on the sustainability of social enterprises in Pakistan. The study also demonstrates implications for researchers and practitioners with avenues for future research.

Keywords: Social enterprises, sustainability, organization culture, funding, human resource skills.

A social enterprise was defined in Korea in 2010 act called social enterprises promotion act. According to their definition, "a social enterprise is a business or organization that mainly pursues social purposes, such as providing jobs or social services to the disadvantaged, carrying out business activities in producing and trading goods and services (Social Enterprise Promotion Act, Korea, 2010). The social enterprises in Pakistan are in emerging phase and have witnessed a boom in the near past as the number of new startups has increased rapidly. Though the sector is still in its early stage, but it is growing and more and more people are entering in this sector. Basic health and education are key areas of concerned in Pakistan and because of which these sectors are very common sectors for social enterprises operating in Pakistan. More than half of the social enterprises operating in Pakistan are working on health and education (British Council, 2016). Social enterprise is still a new area in Pakistan. It first made its mark with the entry of recognized international social enterprise networks and support organizations such as Ashoka, the leading worldwide system of social entrepreneurs, which arrived in Pakistan in 1997. In 1996, Kashaf foundation among few other social enterprises was found with the assistance of global support organizations. Other social enterprises like Hashoo foundation, rural entrepreneur support organization and the largest and first ever microfinance bank were also founded in 1998 (Ali and Darko, 2015).

Sustainability of social enterprises in Pakistan

Sustainability or survival of social enterprises appeared to be one of the most crucial issues of today's social enterprise (Gwak, 2011; Hwang, 2011; Lee, 2008). Before the research is started and dig deep regarding the sustainability of Pakistani social enterprises, the term sustainability in relation of Pakistani social enterprises need to be explained and understood. Establishing a straight forward meaning of the word sustainability is not that simple and complicated as far as the sustainability of social organizations are concerned because there are more than fifty definitions of sustainability of social organizations are in use (Faber, 2005). The meaning of the concept differs according to organizational type (traditional companies vs. social enterprises).

Furthermore, one can find only fragmented debate regarding the sustainability of social enterprises in the past literature. It depends upon the type of organization of which we are talking

because the concept of sustainability is different in whether we are dealing with traditional organizations or social organizations. This sustainability basically is the skill or capability of an enterprise to stay alive or rather I should say to survive as far as it is working for both its donors and the society (Weerawardena, 2010). The researchers on the other hand while explaining the meaning of survival or sustainability of profit-making companies or traditional enterprises are very much cleared about its meaning.

For traditional companies the sustainability involves getting or achieving a competitive advantage guarantee the development of an enterprise by earning or making sufficient returns. In order to get or attain the legitimacy, the traditional companies make profits in a market place from their business operations and that is the only thing that they need. However, in order to attain and maintain their legitimacy the social enterprises must satisfy two different groups of stakeholders: one group of people is that which is concerned with the monetary or financial performance of the company and the other group of people is that which is concerned with the social performance of the company. The sustainability of social enterprise is defined as the state of achieving social objectives and remaining economically viable.

Pakistan is a country with huge population with majority of people with lower-middle-income comprising about 210 million in South Asia. The economic climate in the country is also in a poor state and has a very large portion of which is the disadvantaged people having no or very little access to proper health and basic education.

In order to provide them the basic facilities, along with the government, the social enterprises are also trying their best. But like other countries in the world, these social entrepreneurs also face sustainability problems. Access to appropriate funding and finance is seen as the main barrier to social enterprise growth in Pakistan. Obtaining grant funding is by far the biggest reported barrier to growth followed by lack of capital, cash flow issues and shortage of technical staff (British council, 2016). The main problem the social enterprises are facing is their survival as they are not profit-making organizations.

In their research article the state of social enterprises in Pakistan, Ahmed, Khalid, Lynch, Dar in (2016) found that the financial support and sustainability appeared to be the biggest challenges faced by the social enterprises in Pakistan. There is a need to understand the role of different factors affecting the sustainability of social enterprises in Pakistan. Therefore, this research study investigates the degree of influence of various factors affecting the sustainability of social enterprises in KPK.

Literature review

It is something very much obvious that there are some organizations that are sustainable and there are some organizations that are unsustainable. Now at this very beginning point if we talk about the unsustainability of an organization this clearly would mean the failure of an enterprise, vanishing from the market or simply we can say the closure of the business. An excessive amount of work has been conducted about the success or failure of an enterprise and the reasons behind their success or failure. While arguing the failure of an enterprise, there is one group of researchers who has highlighted those human factors or human elements are responsible for organizational failure Zimmernann (2001). This was called the voluntristic school of thought which says that it is the agents or the managers that are responsible for the organizational failure. This research study used voluntristic approach order to understand what could be the possible internal factors that could affect the sustainability of a social organization.

Factors affecting the sustainability of social enterprises

An interesting thing in the literature is that the term success is not clearly illustrated. In some places it is understood as growth or survival, in some places it is understood as economic gains, sometimes it means how innovative your product or service is and how successfully you familiarize yourself with the market change (Coburn and Rijdsdijk, 2010). According to them the successful social entrepreneurs used to explain or interpret the success of their social enterprise in terms of their accomplishments, in terms of how successfully they have changed the lives of the community, how much they have delivered to the community and if they have achieved their objectives or not but in an economically and financially viable and feasible way. Whereas the word failure is pretty open which means shutting down your operations unwantedly because you cannot afford to operate any further (Coburn and Rijdsdijk, 2010).

Brown in (2006) identified a variety of problems, hurdles or rather I should say factors that are responsible for organizational failure and these factors are the size of the firm, scarcity of the resources and off course the funding. Moreover, lack of skilled and experienced human resource, the physical location of your enterprise, problems with firms cash flows are some of the factors

that appeared to be responsible for the failure of social enterprises (Brown and Murphy, 2003). Coburn and Rijdsdijk (2010) conducted a research study in which they identified what they called are the success factors of social enterprises. Their research study was case study approach in which they study 11 social enterprises that are successful. They divided these factors into two categories; one was called as internal factors which included stakeholder and market orientation, leadership qualities, harmonizing different types of relationships, effective structure, market adaptability, strategic management, earnings that are sustainable, creativity.

The second category of the factors is called external factors and according to them the factors that fall in this category are further divided in to two levels: high level influencers and direct influencers. Society, politics and the economy fall in this level. Whereas the customer demands, rules and policies, external resources, buying behavior of the customers level of competition in the market, grants and donations. Moizer and Tracey (2010) conducted a research study using a diagram of a causal loop in which they tried to figure out how about the conflict of how resources are distributed between the commercial activities and social activities. They identified three causal effects which determine the sustainability of social enterprises and that are the legitimacy of your enterprise granted by the community, perceived requirements or needs of the society and the accumulated wealth. When the society has needs that are not satisfied and when the social enterprises satisfy those needs would strengthen the organizational legitimacy granted by the society and community

This legitimacy is when strengthen would increase the support from the society. Accumulations of money have a direct impact on the sustainability because they attract external grants and donations. Sharir and Lerner (2006) identified three criteria by which the success of social enterprises can be calculated: 1. how much successful the social enterprises are in achieving their predetermined goals. 2. How much a social enterprise is capable of ensuring that the service or product they are offering to the community will continue and how they are going to get the resources that are essential for the smooth running of the operations and 3. The availability of the resources that is necessary for the progress and growth.

In a research study Jiao (2011), identified the importance and feasibility of decisions made by social enterprises, the human and social capital of the social organizations and the institutional and social environment to be the most important variables and factors the affect the outcome of the social enterprises.

The British Waterways in (2007) prepared a document which displays the critical success factors for social organizations. According to this report a social enterprise can achieve sustainability in the long run if they fully concentrate on their market, customers and their earnings, clear mission, leadership skills, being creative, governing infrastructure, transparency in profit distribution, accuracy and timing of the decisions, credibility, and efficient usage of the resources.

Peattie and Morley (2007) in their research study concluded that a good competent team having relevant skills and shared vision and values shape the success of a social enterprise. Moreover, informal and casual networking especially at the time of creation when you are accessing resources, getting an expert guidance or advice, assigning tasks to you workers and accessibility to secure and continue funding appeared to be success factors of the social enterprises.

McBrearty (2007) claimed some factors that according to her research are the critical success factors of social enterprises. Social enterprises must have services or product that needs to be traded in a market. Secondly, they must identify a proper market place for their product or service where the community possess sufficient resources and are willing to purchase your product or service. The third factor that she identified in her research work is the ability and ambition of a social enterprise to alter the culture of its organization.

In the meantime, Jang (2008) indicated that the leadership qualities, balance between the economic and social mission, proper research and information about the market in which you are entering, precise assessment of your assets, clear distribution of the responsibility and collaboration between your own staff and experts from outside of your organization are the key success factors of a social organization. Lee in (2008) identified communication, decision making process, social network, managerial capacity and managerial strategy factors to play critical role in the performance of a social enterprise.

Social enterprises in Pakistan

Although the number of social enterprises is increasing and the sector is in good health but the research work in this regard is very limited and there is no research work in Pakistan that has studied the sustainability of social enterprises. Shah and Shubisham (2012) have addressed in their

research work the importance of social creativity and innovation and the role of business studies and education regarding the social enterprises is what a country like Pakistan needs in order to develop this new sector. Similarly a chapter related to Pakistan in their landscape review of impact investing in South Asia, GIIN and Dalberg (2015) added that although there exist a positive regulatory structure impact investment and growing entrepreneurial activity in the country yet there is a dearth of local capacity to absorb capital and the ecosystem of support organizations is still relatively underdeveloped. Other papers explore constraints to social enterprise development and potential solutions.

Ayub and Khan, (2012) highlighted in their work called the handbook for Social Enterprise in Pakistan about the current status of social enterprises in Pakistan, the prevailing status of the social impact in Pakistan, the strength and weaknesses of the current social channels like corporate social responsibility and other philanthropic activities before presenting the case of social enterprises. Social Entrepreneur Exchange and Development and i-genius (SEED and i-genius, 2013) conducted a research activity in different countries in order to explore the sector of not for profit enterprises or social enterprises in Pakistan. Their research work presents opportunities offered by social enterprises and they gave some policy suggestions about their support and development. In their research work about social enterprises in Pakistan Ali and Darko (2015) argued that the social enterprises have to strengthen their funding and its infrastructure. They also discussed that the social enterprises in Pakistan need to have a better emphasis on their indigenous leadership and resources.

Gap in the existing literature

Despite the fact that in the past literature we do have information about the success factors of social enterprises that can draw forces causing the sustainability but the literature that specifically is focused on exploring the factors affecting the sustainability of social organizations is limited (McBrearty, 2007). Furthermore, when we are talking about the sustainability of social enterprises, they are being backed by stories and not by a theoretical research framework (Peattie and Morley, 2007). Another drawback or flaw in the current literature regarding the sustainability of social enterprises is concerned that in most of the scenario the agency factors are ignored in spite of their importance which can be endorsed if we look into the past literature. In Pakistan none of the researcher so far has highlighted this burning issue of the sustainability of social enterprises. This research study will be helpful to the social enterprises to look into the addressed areas.

Structuration theory

It is very helpful to understand the structuration theory presented by Giddens (1987) at this stage of the research because it relates the social phenomenon its structure and its agents. There are various factors and elements in the literature of organizational failure that decide the destiny of organizations but the problem is that these elements are mainly associated with conventional or for profit making organizations therefore, it is important to identify and explore the factors that can be directly associated with the sustainability of social enterprises in general by reviewing the literature and specifically when we talk about Pakistan.

There are very limited studies conducted by the researchers on the sustainability of social enterprises specifically. Because of which this research study conducted extensive literature on the success factors as well as the limited available literature on sustainability of social enterprises. According to Coburn and Rijdsdijk (2010), as far as the social enterprises are concerned the word sustainability and success are used to have same sense and meaning to illuminate the long run viability and continuous quest for achieving the social objectives.

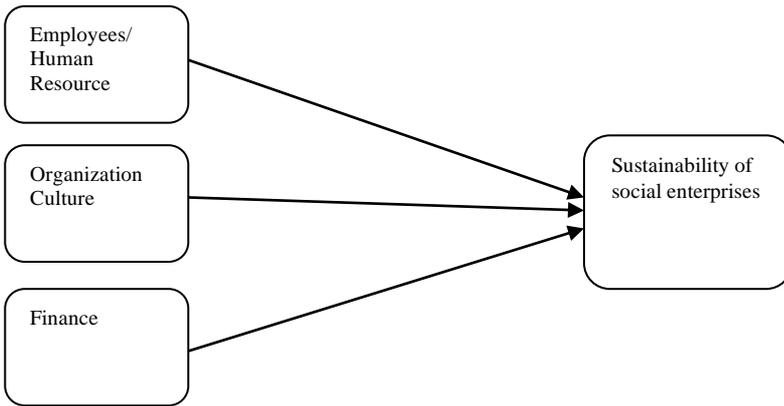
Agency factors

These factors according to Giddens are internal factors of social enterprises that can affect their sustainability. The factors that fall in this category are employees and workforce of that social enterprise, the organizational culture and financial management of that social enterprise and the social entrepreneur themselves. If the employees of the social enterprises are highly qualified and have the required skilled can decide the sustainability of social enterprises.

Social entrepreneurship, his leadership skills, and his social network are the key to the sustainability of social enterprise. Similarly the culture of the organization as pointed out by many scholars is critical to its sustainability. If an organization is a learning organization and it continuously is striving for the creativity and innovation, if the culture of the organization is welcoming the change and the communication is open then it definitely is going to contribute

towards the sustainability of organizations. Finally, the most important one is the capital which decides the success or sustainability of social enterprises as a number of researchers have stressed on this issue that the access to the capital must be improved for the sustainability of social enterprises.

Conceptual Framework



Hypotheses development

H1. Employees/entrepreneur competency has a significant impact on sustainability of social enterprises

H2. Organization culture has a significant impact on sustainability of social enterprises

H3. Finance has a significant impact on sustainability of social enterprises.

Research methodology

Sample and population

Saunders (2012) explained the process of sampling in such a way that it is a procedure in which the researcher picks controllable or rather I should say manageable subset of the entire population in order to complete the research in a given time frame and resources as it is very hard to conduct a research survey in the entire population. Social entrepreneurs and their employees in Pakistan are the population for this study. In order to collect the data, a non-probability sampling technique called convenient sampling is used. A total of 100 not for profit organizations though out Pakistan were selected for the current research study. The organizations were selected based on the lives of these organizations. An organization is selected based on the minimum criterion of having at least five years of life which indicates that the organization is a successful one. 320 managers and social entrepreneurs were selected from these 100 organizations. A closed ended questionnaire was distributed among the respondents using their email addresses and out of which 300 were finalized for the research because they were properly filled by the respondents.

Research Instruments

In the field of social sciences research, the most common and widespread technique to gather quantitative data is closed ended questionnaire based survey. As indicated by Saunders (2012), to gather empirical data for the purpose to investigate the association between various variables in a research study, questionnaire based survey appeared to be the most promising data collection technique. Churchill (1995), Saunders (2012) and Blaikei (2007) also reinforced this close ended questionnaire based survey technique. According to them, in order to gather the primary data this technique is the most consistent data collection technique. In order to prove our hypothesis, a construct was developed for the survey based on the previous studies in the literature because they are tested measurement instrument. First, the construct for sustainability of social enterprises was adopted from a research study by Crucke and Decramer (2016). The construct of sustainability further included five measurement items that are: economic, community, human, environmental and governance. The construct of the two independent variables that are the human resource and Finance were adopted from a research work by Okorley and Nkrumah (2012). The construct of the third independent variable that is organizational culture

was adopted from a research work by John (2016). Responses for all the constructs were based on seven point likert scale.

Data Analysis and Results

To show the general profile of the respondents, descriptive statistics were inspected. Once the descriptive statistics were done the second step was to identify a conceptual relationship among the variables and their constructs. For this purpose structural equation model (SEM) was used. According to Anderson and Gerbing (1988), the analysis is a two-step process. In the first step confirmatory factor analysis was used to assess the reliability and validity of the constructs. Once the first step is done then using the structural equation model (SEM), the relationship between the constructs can be identified. Two softwares were used in this research. One is SPSS 20 for descriptive analysis and AMOS for CFA

Table1. Profile of respondents

		N	%
Gender	Male	253	84.3
	Female	47	15.7
Age group	30 to 40	29	9.7
	40 to 50	122	40.7
	Above 50	149	49.7
Qualification	graduate	6	2
	Post graduate	279	93
	PhD	15	5
Designation	managers	77	25.7
	employees	223	74.3
Experience	5 to 10years	6	2
	10 to 15 years	62	20.7
	15 to 20 years	152	50.7
	More than 20 years	80	26.7

Table 1 indicates the demographics of the respondents. The majority of the employees of the social enterprises were male 84.3% with majority of the respondents having age of more than 40 years 90%. 93% of the total respondents were highly qualified possessing post graduate degrees. Moreover, the employees working in Pakistani social enterprises were highly experienced and 76% of them have working experience of more than 15 years.

Measurement model

CFA was conducted to check the overall fitness of the measurement model. It was important to see the multivariate reliability before going for further analysis.

The results suggest that the indices of goodness of model fit must be considered like the root mean square error of approximation (RMSEA) which was .66 indicated a good fit as suggested by the previous literature that if the value of RMSEA lies between .5 to .8 then it is a good fit (Chen, Curran, Bollen, Kirby, & Paxton, 2008; Hair et al., 2010). Furthermore, comparative fit index (CFI) was .977 and normed fit index (NFI) was .942. Both the values are greater than .9 which is the benchmark. These indicators of goodness of fit indicated that the proposed model fits the data well. Next, it was necessary to check the convergent validity. Anderson & Gerbing in 1988 suggested that if all the factor loadings are greater than .7 which in this case was greater than .7, then it means that the model has the convergent validity.

After that the Average Variance Extracted (AVE) was figured out. The values of AVE of all the constructs were higher than .5. And last but not the least the construct reliability (CR) was calculated. The values of all the CR were above .7 which is in the acceptance range (Hair et al., 2010). Cronbach alpha was also calculated for all the constructs to see the internal consistency. The values for the cronbach alpha were higher than .7 as it is the minimum requirement declared by Nunnally (1978). All of the above indicators confirmed the convergent validity for the constructs. In the end, discriminant validity was checked by comparing the squared correlation of all the constructs to their respective AVEs. The values of the AVEs appeared to be greater than the square correlations which confirmed the discriminant validity as well. Since all the indicators show that the measurement model fits the data well and the validities are also confirmed. Now we can move forward towards structural model.

Table2. Results of confirmatory factor analysis

Constructs	Measurements	Loadings	AVE	CR	alpha
Economic performance	Econ1	0.828	0.721062833	0.99003803	.944
	Econ2	0.826			
	Econ3	0.833			
	Econ4	0.868			
	Econ5	0.89			
	Econ6	0.848			
Environmental performance	Env1	0.833	0.717795833	0.98900533	.938
	Env2	0.872			
	Env3	0.822			
	Env4	0.835			
	Env5	0.892			
	Env6	0.827			
Human development	HD1	0.839	0.710801857	0.99030225	.945
	HD2	0.86			
	HD3	0.824			
	HD4	0.836			
	HD5	0.834			
	HD6	0.858			
	HD7	0.85			
Governance	Gov1	0.837	0.694549714	0.99011794	.940
	Gov2	0.834			
	Gov3	0.795			
	Gov4	0.844			
	Gov5	0.863			
	Gov6	0.887			
	Gov7	0.768			
Community development	CD1	0.846	0.74747925	0.98735939	.921
	CD2	0.904			
	CD3	0.859			
	CD4	0.848			
Financing	Fin1	0.773	0.631209857	0.98697847	.923
	Fin2	0.805			
	Fin3	0.793			
	Fin4	0.802			
	Fin5	0.798			
	Fin6	0.793			
	Fin7	0.797			
Organizational culture	OrgCul1	0.894	0.690809	0.98719966	.832
	OrgCul2	0.899			
	OrgCul3	0.885			
	OrgCul4	0.376			
	OrgCul5	0.9			
	OrgCul6	0.896			
Human Resource	HR1	0.822	0.668118429	0.98919532	.933
	HR2	0.868			
	HR3	0.838			
	HR4	0.815			
	HR5	0.812			
	HR6	0.862			
	HR7	0.692			

Structural model

By looking at the values of RMSEA=.058 , TLI=.976 , CFI=.92. It is suggested that the model fits the data reasonably. Then the relationship between the independent variables and dependent variable are evaluated.

Table 3. Comparison between AVE and squared correlations

	Econ per	Env Per	HD	CD	Gov	HR	OrgCul	Fin
Econ per	(0.721)							
Env Per	0.0016	(0.718)						
HD	0.0014	0.013	(0.711)					
CD	0.0037	0.0036	0.0292	(0.747)				
Gov	0.0001	0.014	0.0012	0.0022	(0.695)			
HR	0.0033	0.0043	0.0021	0.0013	0.0036	(0.668)		
OrgCul	0.024336	0.021	0.0112	0.0043	0.0151	0.0015	(0.691)	
Fin	0.000576	0.0036	0.0062	0.0024	0.0028	0.0016	0.0023	(0.631)

Note: the diagonal numbers in parenthesis are the AVEs and the remaining numbers are squared correlation

Table 4. s

	β	t-Values	Results
HR skills -> Sustainability	.327	4.937	Accepted
OrgCul -> Sustainability	.035	2.790	Accepted
Finance -> Sustainability	.215	3.371	Accepted

Results of structural equation model indicated that all the three variables significantly affect the sustainability of social enterprises in Pakistan positively. Human resource and entrepreneurial skills appeared to be contributing towards the sustainability of the social enterprises with $\beta=.327$ and $P<.05$ there by supporting the first hypothesis H1. After that the effect of organization culture on sustainability of social enterprises was investigated. Organization culture significantly increases the sustainability of social enterprises in Pakistan with $\beta=.035$ and $P<.05$ there by accepting and supporting the second hypothesis H2 as well. And lastly the relationship between finance and sustainability was examined. The finances appeared to have a significant positive impact on the sustainability of social enterprises in Pakistan with $\beta=.215$ and $P<.05$ there by confirming the third hypothesis as well.

Discussion

This research study discovered some valuable results. It was found that the skills and competence of human resource and characteristics of social entrepreneurs have a significant positive impact on the sustainability of social enterprises in Pakistan. Such results are consistent with past literature like (Man and Lau, 2005) have found similar results in which they indicated that the competencies of entrepreneurs have a positive impact on the business success. Ahmad, Ramaya, Wilson and Kemmero (2009) also indicate that the entrepreneurial characteristics play an important role in the success of a venture. Pena (2002) also found that human capital of an enterprise have a positive relationship with the success of the business.

Similarly, this research also found that organizational culture have a significant positive impact on the sustainability of social enterprises in Pakistan which can also be confirmed from the past literature like Barney (1986), who found that the organizations that possess culture with the required attributes can achieve great economical and financial performance and that would be sustainable as well. Similarly, Burton, Lauridsen and Obel (2004) also found similar results indicating that organizational climate has a significant positive role in the success of a firm. Linnenluecke and Griffiths (2010) also found that organizational culture change have a significant positive impact on the firm performance. They also identified that the existence of subcultures in the organizations is deemed as a barrier for the sustainability of the organizations.

This study further identified that the finances or funding play a vital role in the sustainability of the social enterprises in Pakistan. This can also be traced in the past work like Bougheas, Mizen and Yalcin (2005) found in a research work that tight monetary conditions have a significant impact on the firm's health in UK. Surprisingly, this study contradicts with work done by Kim, Aldrich and Keister (2006) who found out that having high capitalization does not guarantee

the success of a firm because according to their research when the firm is new then even you have excess of funding available the firm survival still depends upon its learning practices, know their competitors and how to react to their moves.

Conclusion

Now when we have come to know that the sustainability of the social enterprise is impacted by the characteristics and skills of the human resource, organizational culture and the availability of the funding. Many practical implications can be drawn for social enterprises. First, we will talk about the employees. The employees of social enterprise must be hired taking into account their experience, their social networking.

The sustainability of social enterprises can also be improved when the employees are in line with the mission of the enterprise. In fact, the senior employees should be invited to join the discussion when establishing the mission of the social enterprises. The employees must be involved in such a way that they consider themselves as social entrepreneurs. This study also concludes that the organizational culture has a positive impact on the sustainability of the social enterprises in Pakistan. In an open culture where the employees are free to express their views openly make them satisfied with their organizations and when they will be satisfied from their study than they will be more committed towards their contributions for their organizations and thereby making their organization a successful one. Therefore, the social enterprises must have an open culture for their staff in order to make them satisfied. Similarly, accountability appraisal and effective communication and feedback to the employees are also identified as crucial for the satisfaction of the employees.

Keeping in view the findings of the current study, as finance and funding plays an important role in the sustainability of social enterprises in Pakistan. It is very difficult for the social enterprises to take loans from the financial institutions because they believe that the social enterprises as they are not profit making organizations would not be able to make it to sustainability. There must be a tool designed to specifically measure the performance of the social enterprise by these financial institutions in order to grant loans easily for new projects. As their current system of assessment is just based on financial performance and not on the social performance. There by making the social enterprises to acquire finding from internal sources and external sources. The main internal source for funding is the fee charged for the product or service offered by the social enterprise. Therefore, a proper marketing and sales strategy must be incorporated in order to increase the sales. Proper markets for the products/services must be identified as well just like traditional organizations. The main external source of funding is the charity by individuals and institutions. Our finding concludes that there has to be a proper fund raising board in every social enterprise that consists of the members who are expert in their field of raising fund. Secondly these boards must ensure that the fund they raised are properly utilized. It is also concluded that every social enterprise must be having a clear sustainable plan because it becomes very hard to survive without a sustainable plan.

Limitations and Future Research Directions

The current study has few limitations. First, because of the time and other resources constraints, the data was collected from one segment of social enterprises and that are the trusts of KPK only and in future it is recommended that more forms of social enterprises must be included in the research. Secondly, only internal factors are studied in this research and we know that an organization do not work in isolation. There are several external factors like government policies, market structure that can have a significant impact on the sustainability of social enterprises. So, it is recommended for the future research that these factors must also be considered. Lastly, this study was conducted using closed ended questionnaire thereby putting limits on the answers of the respondents. The future research in this regard should employ semi structured interview in order to get the in-depth knowledge about more variables and factors that could affect the sustainability of the social enterprises.

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