

Evaluating Social Enterprise Performance Measurement: A Sustainability Perspective

Diana Nurindrasari^{1*}, Unti Ludigdo², Lilik Purwanti³, and Aji Dedi Mulawarman⁴

¹Accounting, Accounting, State Polytechnic of Malang, Indonesia

^{2,3,4}Accounting, Faculty of Economic and Business, Brawijaya University, Indonesia

diananurindrasari94@gmail.com*

Keywords: performance measurement, social enterprise, sustainability, 5Ps-based businesses, Sustainable Development Goals (SDGs)

Citation:

Nurindrasari, D., Ludigdo, U., Purwanti, L., Mulawarman, A.D. (2025). Evaluating Social Enterprise Performance Measurement: A Sustainability Perspective. *Kompartemen: Jurnal Ilmiah Akuntansi*, 25(1), 200 – 214

ABSTRACT

This study aims to evaluate the performance measurement strategies used by social enterprises based on the 5Ps sustainability perspective of the SDGs. Multi-case study was used with involving in-depth interviews with five CEOs from diverse social enterprises operating over seven years in Indonesia. We found that social enterprises have integrated the 5Ps into their performance measurement implementation. However, in the process, social enterprises experience difficulties in identification and measurement due to the apparent barrier between performance and impact, which is abstract and difficult to predict. In response to this problem, social enterprises use quantitative and qualitative approaches. The implication of this research is in the form of strategic recommendations for social enterprises to achieve sustainability and sustainable development and meet the expectations of stakeholders for responsible business entity behavior.



INTRODUCTION

Social and environmental sustainability issues are essential for various parties, including business entities (Enciso-Alfaro and García-Sánchez, 2023; Woo and Kang, 2020; Misso et al., 2018). Companies have a complex role. They must achieve social or environmental orientation through their business activities (Nurindrasari et al., 2022; Steiner and Teasdale, 2019). This complexity causes social enterprises to face challenges in maintaining sustainability and aligning their orientation (Bansal et al., 2023; Jayawardhana et al., 2022). Through the integration of economic strategies with social missions, social enterprises are crucial in tackling societal issues and accomplishing the Sustainable Development Goals (SDGs) through 5Ps-based businesses (people, planet, prosperity, peace, and partnerships) (Samsuddin et al., 2023; Oliński and Mioduszewski, 2022). Unlike commercial entrepreneurs, social enterprises aim to offer solutions to social problems in addition to income and employment through a unique business model that funds their social purpose (Islam, 2020). It makes social enterprises prone to failure, primarily due to the lack of legitimacy from a single question, such as whether they are doing business or social activities (Kolodinsky et al., 2022; Jayawardhana et al., 2022).

Dynamic conditions and false barriers between non-profit and profitable businesses challenge social enterprises (Mikołajczak, 2022; Mason et al., 2019; Kuznecova, 2016). In this case, the sustainability of social enterprise is also more than they survive. However, it also shows how the social enterprise builds the sustainability of the surrounding social and natural environment (Kamaludin et al., 2022). Often, social enterprises fail because they cannot maintain their bottom line to achieve profits or achieve their social mission vision (Samsuddin et al., 2023; Mason et al., 2019).

In the UK, social enterprises experience challenges in long-term funding; in fact, almost half of social enterprises do not get adequate funding, making it challenging to develop their business (AJBell, 2022). In addition, in the UK, 70% of social enterprises turned a profit or broke even before declining by 4% the next year (Lyons, 2023). The World Economic Forum released data on how long social enterprises stay open for business. 38,3% of the companies lasted for less than a year, 45.2% for one to three years, 8.7% for four to six years, 2.6% for seven to nine years, and 5.2% for more than ten years (Gasca, 2017).

This is despite the high potential of social enterprise as a business entity engaged in the social and environmental fields. In the UK, social enterprises contribute significantly to the economy, generating more than £60 billion in revenue, three times greater than the agricultural sector in 2018. In the UK, the social enterprises sector generates 5% of total employment and represent 3% of the GDP. In France, 223,000 companies, 2.334 million workers, 10.3% of all employment, and over 8% of GDP came from the social enterprise sector in 2015 (Summerfield, 2020). In 2020, social enterprises in Indonesia contributed 1.91% or US\$130 million to the GDP in Indonesia (British Council, 2020). It shows that social enterprise has a significant impact, not only at the level of developing countries but also in developed countries. In addition, environmental and social transformation are also greatly impacted by social enterprises. The World Economic Forum explained that social enterprise has great potential and is a game changer in the business world that carries the vision and mission of the SDGs through the 5Ps values (Bansal et al., 2023). Thus, the sustainability of social enterprise is of urgent importance.

The study of social enterprise regarding internal strategy, especially performance measurement, is still an emergency topic. The study of performance measurement strategies carried out by managers in achieving the vision and mission of social enterprises, especially related to SDGs, is still unique and even relatively rare. If explored deeply, studying internal strategies such as performance measurement methods is essential in driving social enterprises toward sustainability goals (Cosa and Urban, 2023). Social enterprises also have a vision and mission on social and environmental, which means they must be able to measure the impact that has been generated on business operations (Nurindrasari et al., 2022; Tykkyläinen and Ritala, 2020; Ketprapakorn and Kantabutra, 2019). Jääskeläinen and Luukkanen (2017) explained that how to measure performance will affect how managers make strategic decisions and act. Jayawardhana et al. (2022), Gutterman (2020), and Fehete and Nedelcu (2019) found that appropriate performance measurement will support the implementation of sustainable vision and goals. Similarly, Fisher (2021) and Arogyaswamy (2017) explain that the use of performance measurement will also help managers get a big picture of the condition of the enterprise, making it easier for managers to decide on strategies, set priorities, and take advantage of opportunities that arise. Jayawardhana et al. (2022) reinforce that performance measurement strategies allow managers to learn from their successes and failures.

The aim of this study is to evaluate the performance measurement strategy was used by social enterprises based on the 5Ps sustainability perspective of SGDs. Indonesia was chosen as the research location because of the rapid growth of social enterprises in the last five years. Indonesia is the largest economy in Southeast Asia, but the country's strong economic growth has yet to benefit people living in rural and marginalized areas. Particularly in non-urban areas, they drive local economies with innovative approaches to solving social and environmental challenges that many people face daily.

Achieving the research objectives will provide implications in the form of empirical evidence for social enterprises, academics, practitioners, and stakeholders to encourage social enterprise sustainability efforts through SDGs-based performance measurement strategies. It will also enrich the knowledge of business strategy maps. Especially social enterprise is still relatively new in Indonesia, so this study will enrich the input contribution for social enterprise actors and the government to support sustainable strategies in line with the SDGs.

LITERATURE REVIEW

Social Enterprise Sustainability

According to Kamaludin et al. (2022), social entrepreneurship sustainability is the process of constantly developing solutions with improved operational efficiency for social, economic, or environmental concerns. Furthermore, social entrepreneurship sustainability is defined by Jayawardhana et al. (2022) as the ongoing creation of solutions for environmental or social issues that the market has not yet addressed. Thus, social entrepreneurship should incorporate sustainability in its three dimensions: social, economic, and environmental (Kamaludin et al., 2022; Elkington, 2013).

To survive economic instability and achieve sustainability, social enterprises need to take consideration a range of business strategies. Lack of resources to support businesses is another factor affecting this issue (Bansal et al., 2023; Lubberink, 2019). To overcome this predicament, Jayawardhana et al. (2022), Jha et al. (2021), and Lubberink (2019) recommend social businesses to diversify their operations, produce new revenue, and engage in sustainable activities. To achieve this, social enterprises should consistently look for new opportunities and revenue-generating ventures outside of their charitable activities. They should also keep in mind the three aspects of sustainability: social, economic, and environmental (Jayawardhana et al., 2022).

Organisational actions for management to create resilient communities in terms of the economy and environment, according to Bansal et al. (2023). Social entrepreneurs can effectively manage difficult challenges arising from an unexpected downturn in the business climate by understanding the necessary changes in a constantly developing ecosystem. Performance evaluation is also necessary to determine whether social companies have fulfilled its vision and mission, which is crucial for them to keep impacting the sustainability of tackling social or environmental issues (Lubberink, 2019). The sustainability of several pillars, including people, planet, prosperity, peace, and partnerships, is essential to resolving social and environmental issues (Hariram et al., 2023). As a result, social enterprise sustainability discusses not just how social companies may continue to exist but also how they may promote and maintain outstanding goals for the environment, society, prosperity, peace, and partnership.

5Ps (People, Planet, Prosperity, Peace, and Partnerships)

The 5Ps form a commonly used framework to describe the pillars of sustainability (Tremblay et al., 2020; Mensah, 2019). In terms of economics and business, the 5Ps framework emphasises how connected sustainability is as well as how crucial it is to take social, environmental, and economic concerns into consideration when making business decisions (Tremblay et al., 2020; Mensah, 2019). Each P in the 5Ps stands for a fundamental idea that underpins the Sustainable Development Goals (SDGs), which are designed to be broadly connected with the goals of the United Nations (Ryan, 2020). Businesses can produce value for society at large as well as for themselves by incorporating the values of People, Planet, Prosperity, Peace, and Partnerships into their operations. This will help to create a world that is more equitable and sustainable (Haanaes, 2022; Winston, 2022; Hoffman, 2018).

In the People dimension, this aspect of sustainability focuses on the social dimension, especially the well-being of individuals and communities (Jayawardhana et al., 2022). In a business context, this involves ensuring fair employment practices, promoting diversity and inclusion, providing safe working conditions, and positively contributing to the communities in which the business operates. Sustainable businesses prioritize the well-being of employees, customers, and stakeholders, understanding that investing in people leads to long-term success and resilience.

The main goals of fundamental initiatives are to build sustainable communities, encourage decent employees and economic growth, and reduce inequality (Mensah, 2019). In addition, it uplifts the most vulnerable and empowers individuals to make meaningful contributions to society (Tremblay et al., 2020). The People dimension covers SDG 1,2,3,4,5 (Ryan, 2020).

In the context of the globe, environmental sustainability is a crucial component of contemporary economic practices. Businesses are under increasing pressure to reduce their negative impact on the environment. This includes cutting off greenhouse gas emissions, preserving natural resources, managing trash more efficiently, and implementing eco-friendly practices across their supply chains and operations (Mensah, 2019). Adopting sustainable practices helps protect the planet for future generations, reduces costs, and improves brand reputation (Tremblay et al., 2020). The Planet dimension includes SDGs 6, 12, and 13,14,15 (Ryan, 2020).

According to the Prosperity component, economic sustainability means creating long-term value for all stakeholders, such as suppliers, employees, shareholders, and communities. Beyond focusing on profits, sustainable businesses also consider the broader impact of their activities on the environment and society. Fair pay, moral sourcing, wise investing, and open governance procedures are all part of it (Mensah, 2019). Businesses may foster innovation, boost competitiveness, and guarantee long-term success by incorporating sustainability into their business models. It also addresses economic growth without compromising social and environmental sustainability and generating wealth and opportunity while preserving the earth's resources for future generations (Tremblay et al., 2020). The Prosperity dimension covers SDGs 7,8,9,10,11 (Ryan, 2020).

On the Peace dimension, peace is often considered an essential foundation for sustainable Development. In business, peace refers to building a stable and inclusive society where individuals and communities can thrive without the threat of conflict and violence. Sustainable businesses contribute to peace by promoting social cohesion, respecting human rights, supporting conflict resolution efforts, and avoiding actions that exacerbate tensions or inequalities (Mensah, 2019). By operating in peaceful environments, businesses can better manage risks, build trust with stakeholders, and open up new opportunities for growth and collaboration (Tremblay et al., 2020). To support sustainable development, it aims to create inclusive, peaceful societies. The Peace dimension encompasses SDG 16 (Ryan, 2020).

In the Partnership dimension, collaboration is essential to address complex sustainability challenges that one organization cannot solve alone. Sustainable businesses actively seek partnerships with other businesses, governments, NGOs, and communities to leverage collective expertise, resources, and influence (Mensah, 2019). These partnerships enable companies to expand their impact, share best practices, and drive systemic change across industries and regions. By facilitating cooperative relationships, businesses can accelerate progress toward achieving shared sustainability goals and create a more inclusive and resilient future (Tremblay et al., 2020). Partnerships cover SDG 17 (Ryan, 2020).

METHOD

This research uses multiple case studies to examine several social enterprise case studies in Indonesia. Multiple case studies may be conducted to extend emergent theory (Halkias et al., 2020). Using several case studies on MSMEs in Germany, Voinea et al. (2019) investigated environmentally friendly business process management for business sustainability. Kamaludin et al. (2022) investigated and explored the steps social enterprises took to achieve business sustainability during the Covid 19 pandemic using multiple case studies on five social enterprises in Malaysia. Similarly, Sohns et al. (2023) also conducted a multiple case study to gain insights into how startups work towards sustainability in their business models.

Indonesia was chosen for this multi-study case design due to the rapid growth of social enterprises in the last five years. Indonesia is the largest economy in Southeast Asia, but the country's strong economic growth has had limited benefits for people living in rural and marginalized communities. Especially in non-urban areas, they boost local economies with innovative approaches to solve social and environmental challenges that many people face daily. In order to understand the performance evaluation techniques, decisions, and actions taken by social business CEOs to achieve sustainability during firm operations, this study examined a number of examples through semi-structured interviews. As a result, this study conducted a qualitative analysis of five social enterprises operating in various industries in Indonesia that have succeeded in achieving sustainability, particularly those that faced challenges during as well as following the pandemic.

Since a lot of scientific findings come from genuine in-depth studies with small sample sizes, multi-study cases were limited to a small number of social enterprises (Patton, 2015). In this study, CEOs and founders of social enterprises in Indonesia were selected using a non-random purposive sampling technique. To ensure that an extensive response may be gained from those who are wanted as informants, this sampling technique is essential. The qualifications of the selected social enterprises are that they have been operating for more than seven years in Indonesia and have international qualifications, as indicated by the international-level awards obtained by the social enterprises within the last seven years.

The informants represent each field: food and spice, health, crafts, fashion, and waste management. Thus, five social enterprises became informants; According to Yin (2003), a sample size of two or more research cases is acceptable. Fewer participants are needed to achieve data saturation whenever there are few informants but a lot of knowledge (Morse, 2000). CEOs of social enterprises in Indonesia were interviewed in-depth and had operated social enterprises for more than seven years. The five informants in this investigation are as in Table 1.

Table 1. Respondents List

Social Enterprise Code	Years Operating	No. of Employees	Interview Duration	Industry
SEINA1	8 years	14	1h 54m	Herbs & Spices Artisan
SEINA2	11 years	21	1h 03m	Healthcare
SEINA3	12 years	32	1h 49m	Craft
SEINA4	15 years	18	1h 02m	Fashion
SEINA5	9 years	8	1h 31m	Recycling

Interviews that were semi-structured have been carried out while keeping to the theme of the questions, which consisted of: 1) Limitations of the difference between performance and impact in social enterprise; 2. Barriers in measuring performance and impact; 3. Dimensions of measuring social enterprise performance and impact.

From September to November 2024, CEOs or founders of social enterprises were interviewed using the Zoom application. The Zoom app was used for interviews because of its flexibility and ease of use. In order to obtain a comprehensive understanding of the performance measurement techniques used by social companies to attain sustainability, all interviews took longer than an hour (Saunders et al., 2023). In addition, data triangulation—the use of secondary data from social media and financial reports—was used to confirm the interview results. To validate and confirm the results, data triangulation was done (Merriem and Tisdell, 2016). The primary themes and subthemes were identified through thematic analysis. Coding was used to offer effectiveness and ease.

RESULTS AND DISCUSSION

Three issues emerged from this research on sustainability-based performance measurement in social enterprises: characteristics of performance measurement in social enterprises, challenges associated with measuring performance and impact, and variations in performance and impact in the measurement system.

The Difference Between Performance and Impact in Measurement Systems

In measuring success in achieving the vision and mission of an entity, performance and impact are fundamental as a foundation and benchmark for what will be measured technically (Fisher, 2021; Arena et al., 2015). Measurement also relates to the achievement of an entity's goals (Bourne et al., 2018). Uniquely, social enterprises have goals that are not only profit-oriented, but also social and environmental (Nurindrasari et al., 2022; Arena et al., 2015). As a result, performance and impact are two major outcomes of social enterprise operations, and both are crucial in determining the degree of success of such enterprises. Based on the in-depth interviews, a pattern of difference between impact measurement and performance measurement—performed by SEINA 1 and SEINA 2—was observed. This is predicated on the idea that effect is a long-term phenomenon, whereas performance metrics are short-term indications. As a result, the process for finding and measuring them will change. More specifically, SEINA 2 clarifies:

"SEINA 2 operations provide outputs and outcomes, both real and psychological, to the surrounding community. We also differentiate and measure the impact financially and non-financially, so that we can also know how our bottom line is. In terms of impact and performance, they are two different but related things" (SEINA 2).

SEINA2 illustrates that impact and performance need to be distinguished to see technical indicators such as finance as one of the main supports in maintaining the success of a social enterprise. Meanwhile, the impact can be seen after various accumulations of performance are achieved. This finding aligns with Ravenscroft et al. (2017), who state that impact differs from performance in sustainability. Performance measurement refers to evaluating an organization's internal processes, systems, and practices to ensure efficient and effective business operations in achieving goals. At the same time, impact measurement focuses on how corporate operations affect society and the environment indirectly. It evaluates the contribution of business organizations to the achievement of sustainable development.

However, in contrast to SEINA3 and SEINA4, which have the view that performance and impact are the same because they are directly interconnected. SEINA 3 revealed that: *"We measure our impact as well as our performance because they are the same thing for us"* (SEINA 3). Furthermore, according to SEINA3, a social enterprise's success might be determined by the impact that its business activities have, combining performance and impact measurement into a single unit. This finding aligns with research from Öncer (2018) regarding the tendency of social enterprise entities to measure performance and impact as one unit to get a complete picture of achieving the goals vision and mission of social enterprise goals.

While SEINA 5 chooses not to measure performance, it does measure impact. For them, the impact is more accurate. It becomes the main objective of a social enterprise, therefore if they focus on performance, it limits the accomplishment of the main objectives of the enterprise. It reminds us of Öncer's (2018) research, which found that the identification, tracking, and calculation process of performance assessment is one of the major issues facing social enterprises.

This demonstrates how various perspectives on performance and impact will result in various measuring patterns. However, when it comes to sustainability, impact and performance will be a continuous whole, even though differences in perspective will affect the pattern of calculating the success of an entity. The papers by Aragon (2013), Nigri and Baldo (2018), and Gutterman (2020) make strong cases for the importance of performance measurement in maintaining a company's sustainability in relation to its effects on society and the environment.

Performance refers to how well a system, organization, or individual achieves its goals and objectives. It often involves measuring efficiency, effectiveness, and productivity. In a business context, performance is usually measured by financial metrics, operational efficiency, or customer satisfaction (Santos et al., 2021). Meanwhile, impact focuses on actions or activities' broader effects and consequences (Sebhatu, 2009). It takes into consideration the results and modifications brought about by performance or activity, with a focus on social, environmental, and economic aspects. A company's influence can be measured by looking at its social responsibility programmes, environmental impact, or contribution to societal well-being (Nigri and Baldo, 2018). Measuring an organization's performance in terms of sustainability involves evaluating how well it integrates environmental, social, and economic considerations into its operations. It could include resource efficiency, waste reduction, and ethical work practices. Assessing an organization's impact involves understanding the consequences of its activities on the planet, society, and the economy. It includes evaluating the positive and negative effects on ecosystems, society, and future generations (Öncer, 2018).

Distinguishing impact and performance helps clarify which aspects are measured or evaluated (Gutterman, 2020). This agility is essential for effective decision-making and communication. While performance metrics may focus on internal efficiency, impact assessment provides a more holistic view, considering external effects and contributions to sustainability (Santos et al., 2021). Organizations aiming for sustainability must understand performance and impact to develop effective strategies that align with broader social goals. Ideally, organizations should optimize both their performance and their impact. It involves achieving operational efficiency and ensuring that its results positively contribute to sustainability (Sebhatu, 2009). Thus, the distinction between impact and performance is essential to comprehensively understand an organization's role in sustainability. By evaluating both aspects, businesses, and individuals can make more informed decisions that bring their operational efficiency to mind and positively contribute to the planet's and society's well-being.

Challenges in Impact and Performance Measurement

Social enterprise activities that play a dual role in social and business aspects cause challenges. The five informants in this study revealed the difficulty in measuring performance and impact. SEINA 1 revealed that:

"It is quite difficult to measure the impact and performance achieved. Only some things we have done can be measured, especially if they have to be converted into Rupiah. Like social impact, it is a difficult thing to measure. It can be felt, but it is hard to measure materially"
(SEINA 1).

Other social enterprises also experience the same thing as SEINA 1. Identifying and measuring performance and impact is difficult because most indicators are abstract and cannot be traced quantitatively, especially concerning environmental and social issues. At the same time, indicators related to welfare cannot be calculated in monetary units alone, such as identifying and measuring waste generated and how it impacts the environment. SEINA2 has separated performance measurement as technical and impact measurement for long-term measurement, but there are still gray areas that are important but difficult to identify.

Similarly, SEINA 3 and SEINA 4 explained that impact measurement is difficult because many things have an impact but cannot be nominalized or measured using monetary units. Some impacts cannot even be measured in the present and are abstract. Instead, SEINA 4 and SEINA 5 stated that they focus more on how the impact is generated, such as how many people have been empowered and can become independent. It is done because it is considered too focused on measuring performance on the physical aspect, eventually forgetting the essence of social and environmental missions.

Because of social and business orientation, there are often challenges on the social side. Most of the social side is a form of impact with an evaluation system, different from technical performance measurement. However, some indicators on the social side are included in the performance measurement system because it is considered necessary for social indicators to be measured in technical terms (Nguyen, Szkudlarek, and Seymour, 2015). Thus, difficulties result from this. The purpose of social enterprises is to uphold the social aspect, both in the short term through innovative techniques and in the long run through consequences (Cosa and Urban, 2023).

This is reminiscent of the findings of Öncer (2018), who found that social enterprises have difficulty measuring their performance due to the intersection between performance and impact, which is abstract. Some of the barriers to performance measurement in social enterprises described by Cosa and Urban (2023), Kato (2021), and Costa and Andraeus (2020) are, First, cost—impact measurement can be costly, particularly for small and medium-sized businesses (SMEs), which might not have the funds to engage in expert statistical analysis or independent assessments. Second, if enterprises just use self-reported data from interested parties, there is a chance that the information will be prejudiced or untrustworthy. The third challenge is determining the impact on the organisation. Fourth, their capacity to accurately quantify and control their impact may be limited by a lack of trained human resources for conducting impact assessments. Fifth, it can be challenging for businesses to determine where to begin and what measures to employ due to the lack of standard in social impact measurement. Sixth, there are numerous inputs, activities, outputs, results, and affects involved in the complexity of impact pathways.

The Performance Measurement Dimensions in Social Enterprise

The SDGs are unable to be accomplished without the appropriate integration of the social and environmental components of social business performance measurement. Social enterprises can improve their ability to effect good change and contribute to a future that is more fair, inclusive, and sustainable by implementing a thorough performance measuring system that takes into account various factors and is in line with the Sustainable Development Goals (Cosa and Urban, 2023; Kato, 2021; Costa and Andraeus, 2020). Unlike business-oriented approaches, social entrepreneurship achieves a balance between social objectives and commercial interests, meaning that other factors also contribute significantly to the organization's bottom line (Samsuddin et al., 2023). It is also interesting that social and environmental indicators are the leading indicators to be identified and measured by social enterprises to achieve their primary objectives. In developing these indicators, examining the dimensions of performance measurement is necessary to identify their implementation in social enterprises and their relationship with the 5Ps to achieve SGDs.

Engaged in artisan herbs and spices processing, SEINA 1 aims to empower its village youth group to work in their village and improve the local economy. As such, The majority of SEINA1's performance and impact measurements are focused on the environmental and social dimensions. The number of youth empowered, the number of youth able to pursue their education, and the empowerment of youth and communities are some of the measurements taken by SEINA 1 regarding the social and environmental dimensions. SEINA 1 also implements measurements related to increasing income, creating jobs for the community, creating employment opportunities for youth to develop their villages, increasing cooperation between community groups, and increasing the trust of consumers, stakeholders,

and the community. Regarding SEINA 1's relationship with external parties, they use measurements in the number and quality of partnerships formed and collaborative projects with the government and NGOs.

Regarding the Planet dimension, SEINA 1 uses measurements in the form of crop diversification and the area of cultivated crop processing. By modifying the Social Return on Investment (SROI) measurement system and creating indicators that are only measured numerically rather than monetarily, such as the level of welfare of young people who are empowered based on increased education and income earned, the level of welfare of the community who is capable of sending children to school with salary money from SEINA 1, crop diversification, and land area that can be encouraged without deforestation, SEINA 1 builds performance measurement more on the social dimension. The measurement system is adaptable and emphasises both money amounts and quantity.

Moving into the health sector, SEINA 2 aims to make healthcare inclusion accessible to the broader community through a waste bank system. Thus, SEINA 2 emphasizes the social dimension as well as the environmental dimension. Some of the measurements and assessments conducted by SEINA 2 concerning the social dimension consist of the number of people receiving health services, the level of empowered communities, and the improvement of the quality of healthy living in communities. In addition, other measurements include economic equity and improving the quality of trust of users, stakeholders, and the community. Regarding external matters, SEINA2 conducts measurements and assessments in the form of the number and quality of partnerships formed, collaborative projects with the Government and NGOs, and an increase in the scale of national and international partnerships. In the environmental realm, SEINA2 measures the level of waste processed and the quality of waste bank processing. They develop dimensions that are not only centered on finance but also community welfare in the form of improving the quality of health, the distribution of people who benefit from health services, and even the level of processed waste.

Furthermore, SEINA 2 developed a measurement method with Objective Key Results (OKR), adding a qualitative assessment side and expanded indicators, especially from a social and environmental perspective. These indicators are the level of community welfare, treated waste, and the distribution of underprivileged people who receive free medical assistance from SEINA2. These data were obtained through in-depth interviews and observations with the community and related parties. Thus, the SEINA2 team gets a complete picture of the condition of SEINA2 and can map out a more agile strategy to survive in dynamic conditions.

By turning textile waste into handcrafted goods, SEINA 3 empowers groups of young mothers and former female workers (TKW) in the communities where it operates in the craft sector. As a result, SEINA 3 emphasises both the social and environmental dimensions. Some of the measurements and assessments conducted by SEINA 3 concerning the social dimension consist of the number of empowered young mothers, the empowerment of former migrant worker communities, the number of children who continue their education, and the creation of safe workplaces for mothers who bring their children to work.

In addition, SEINA 3 applies measurement and assessment metrics on income generation, alternative employment creation, and community economic empowerment. SEINA 3 applies measurements on the number and quality of partnerships formed and collaborative projects with government and NGOs in expanding collaboration. In the environmental domain, SEINA 3 applies measurements in the form of the level of treated textile waste and the implementation of sustainable production practices. SEINA 3 follows the same pattern as SEINA 1 by measuring using SROI on dimensions that can be measured quantitatively. In contrast, performance and impact, or dimensions that cannot be identified quantitatively, will be described descriptively with a qualitative approach. The measurement

dimensions are also developed flexibly because they are based on physical aspects and non-physical aspects such as social and environmental.

In the fashion industry, SEINA 4 processes textile waste by giving communities with special needs and disabilities more influence. Because of this, SEINA 4 places a strong emphasis on evaluating performance and its effects on the areas of society and the environment. The empowerment of community groups with special needs and disabilities as well as the reduction of inequality are some of the things that SEINA 4 measures and evaluates in relation to the social dimension. In addition, there is an increase in income and economic equality at the economic level concerning other dimensions, such as promoting tolerance and tolerance between community groups and increasing the trust of consumers, stakeholders, and the community. Regarding external parties, SEINA 4 conducts measurement and assessment metrics on increasing the quantity and quality of workshops, training activities, and collaborative projects with the government and NGOs. SEINA 4, engaged in fashion, also follows the same pattern as SEINA 2, adapting OKR and adding a qualitative environmental and social impact assessment process. The measurement matrix and benchmarks are flexible to get a big picture of SEINA4's position.

SEINA 5 is a social enterprise that operates in a relatively new field in Indonesia and tends not to have competitors in Indonesia. They are engaged in processing religious document waste, meaning that SEINA 5 is engaged in the blue ocean. SEINA 5 builds a balanced social and environmental performance measurement and assessment dimension. In the social realm, they measure performance on the number of empowered underprivileged mothers and orphans, increase income, and increase the trust of consumers, stakeholders, and society. The level of waste documents processed and the implementation of production practices are discussed in the environmental realm. Collaboration projects with the government and NGOs will be measured or assessed in cooperation. Meanwhile, SEINA 5 uses its measurement strategy by continuously updating and adjusting the performance measurement method matrix to match the characteristics and initial objectives of the business. The performance measurement parameters of each social enterprise can be mapped into the 5P categories as presented in Table 2.

The social enterprise implementation of the 5Ps shows that the people factor places greater emphasis on empowerment. Although the purpose of some social enterprises is for the environment, the people dimension is in the form of community empowerment functions. It is a natural thing because the nature of the social enterprise is inclined to its social function, so many are on the side of community empowerment (Pratono et al., 2023; Desiana et al., 2022). The UN also encourages Human empowerment efforts in the SDGs program through the People dimension. In the SDGs, the People aspect varies, but many talk about empowerment (Cosa and Urban, 2023; Shayan et al., 2022; Santos et al., 2021).

As for the planet dimension, its implementation depends on the type of social enterprise. The type of business will affect its business activities, many of which have different processing of resources and waste. In the SDGs, the planetary aspect varies and indeed depends on the business activities of the business because it relates to the utilization of resources and waste processing (Pratono, Nawangpalupi, and Sutanti, 2023).

In the prosperity dimension, social enterprise implements more through increased income and economic equality. It is indeed the fundamental problem that occurs. In the SDGs, prosperity is an essential concern because inequality in this dimension will be a domino effect for other dimensions (Sugiawan et al., 2023; Morton et al., 2017; Pradhan et al., 2017).

Table 2. 5Ps Dimensions of Social Enterprise Performance Measurement

Social Enterprise	People	Planet	Prosperity	Peace	Partner
SEINA 1	Number of youth empowered	Crop diversification	Increased income	Increased mutual cooperation among community groups	Number and quality of partnerships formed
	Number of youth who can continue their education	Cultivated crop processing area	Job creation for the community	Increase the trust of consumers, stakeholders, and the community	Collaborative projects with Government and NGOs
	Youth and community empowerment		Creation of employment opportunities for youth to develop their villages		
SEINA 2	Number of people who get health services	Treated waste level	Economic equalization	Increase the trust of users, stakeholders, and the community	Number and quality of partnerships formed
	Empowered community level	Improved quality of waste bank processing			Collaborative projects with Government and NGOs
	Improved quality of healthy life in the community				Scale-up of national and international partnerships
SEINA 3	Number of empowered young mothers	Level of treated textile waste	Increased income	Increase the trust of consumers, stakeholders, and the community	Number and quality of partnerships formed
	Community empowerment of former migrant workers	Implementation of sustainable production practices	Creation of alternative employment opportunities		Collaborative projects with Government and NGOs
	Number of children who continue their schooling		Community economic empowerment		
	Creating a safe workplace for mothers who bring their children to work				
SEINA 4	Empowerment of community groups with disabilities and special needs	Level of treated textile waste	Increased income	Promote tolerance and tolerance between community groups	Increase the quantity and quality of workshops and training activities
	Reduction of gap levels		Economic equalization	Increase the trust of consumers, stakeholders, and the community	Collaborative projects with Government and NGOs
SEINA 5	Number of underprivileged mothers and orphans empowered	Processed waste rate	Increased income	Increase the trust of consumers, stakeholders, and the community	Collaborative projects with Government and NGOs
		Implementation of sustainable production practices			

In the peace dimension, social enterprise focuses more on performance by increasing trust in consumers and other parties, such as government and NGOs, directly related to the community. This is not directly related to war prevention and other sides of peace action. However, this performance effort is also part of efforts to maintain stable harmonization between community groups (Morton et al., 2017).

The dimensions of partners, partnerships, collaboration, and scaling are the main activities performed by social companies. It is having to do with the social enterprise's ongoing survival. In SDGs itself, collaboration is something that needs to be improved, especially in the current era, because competition is not the main thing but how to work together to build a better life (Sugiawan et al., 2023; Morton et al., 2017; Pradhan et al., 2017).

CONCLUSION

Social enterprises have integrated aspects of the 5P into their performance measurement practices. Integrating the 5Ps in performance measurement helps social enterprises commit to building sustainable businesses and tackling social and environmental problems. However, in practice, social enterprises need help in identification and measurement. Social enterprises have different views in distinguishing and identifying impact from performance. In addition, they also experience problems in tracking and calculating abstract or qualitative impacts or performance, such as social impacts and welfare. To overcome these problems, social enterprises use quantitative approaches to calculate and materially value indicators, while qualitative approaches describe indicators that cannot be calculated. Thus, measurement and reporting use quantitative and qualitative data (description).

The findings of this study provide theoretical and practical implications. This study contributes to theoretical development in several ways. First, it extends the 5Ps framework by illustrating how social enterprises operationalize each pillar in context-specific ways, particularly in emerging economies. Second, the differentiation between impact and performance, as discussed by interviewees, reveals a theoretical gap in measurement frameworks that often conflate the two. Our findings support the need for hybrid models that integrate short-term performance metrics with long-term impact evaluation, thus enriching theories such as the Triple Bottom Line and SROI. Furthermore, this study provides groundwork for future research on dynamic performance measurement systems tailored to the evolving missions of social enterprises. It opens up possibilities for developing a contextualized theory of impact-performance alignment in hybrid organizations.

The research's practical implications indicate that social enterprises need to put effective plans into place, like creating and using evaluations of performance, if they expect to be sustainable in an environment that is becoming increasingly dynamic. Furthermore, social companies can accomplish sustainability in the long run through impact measurement and improving or changing the measurement and impact assessment. Integrating these two will give social enterprises long-term stability.

Ethical Considerations

This study was conducted following ethical research standards. Informed consent was obtained from all participants prior to their interviews. Participation was voluntary, and participants were assured of their right to withdraw at any point. All responses have been anonymized using pseudonyms (e.g., SEINA1) to ensure confidentiality.

Disclosure Statement

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

REFERENCES

- AJBell (2022) Latest research shows £1bn impact of UK social enterprises, Social Enterprise UK. Available at: <https://www.socialenterprise.org.uk/news/latest-research-shows-1bn-impact-of-uk-social-enterprises/> (Accessed: 20 March 2024).
- Aragon, A.M. (2013) 'A measure for the impact of research', *Scientific Reports*, 3. Available at: <https://doi.org/10.1038/srep01649>.
- Arena, M., Azzone, G. and Bengo, I. (2015) 'Performance Measurement for Social Enterprises', *Voluntas*, 26(2), pp. 649–672. Available at: <https://doi.org/10.1007/s11266-013-9436-8>.
- Arogyaswamy, B. (2017) 'Social entrepreneurship performance measurement: A time-based organizing framework', *Business Horizons*, 60(5), pp. 603–611. Available at: <https://doi.org/10.1016/j.bushor.2017.05.004>.
- Bansal, S., Garg, I. and Vasa, L. (2023) 'Can social enterprises aid sustainable development? Evidence from multi-stage investigations', *PLoS ONE*, 18(2 February). Available at: <https://doi.org/10.1371/journal.pone.0281273>.
- Bourne, M., Melnyk, S. and Bititci, U.S. (2018) 'Performance measurement and management: theory and practice', *International Journal of Operations and Production Management*, 38(11), pp. 2010–2021. Available at: <https://doi.org/10.1108/IJOPM-11-2018-784>.
- British Council (2020) *Creative and Social Enterprise in Indonesia*.
- Cosa, M. and Urban, B. (2023) 'A Systematic Review of Performance Measurement Systems and Their Relevance to Social Enterprises', *Journal of Social Entrepreneurship* [Preprint]. Routledge. Available at: <https://doi.org/10.1080/19420676.2023.2236628>.
- Costa, E. and Andreaus, M. (2020) 'Social impact and performance measurement systems in an Italian social enterprise: a participatory action research project', *Journal of Public Budgeting, Accounting and Financial Management*, 33(3), pp. 289–313. Available at: <https://doi.org/10.1108/JPBAFM-02-2020-0012>.
- Desiana, P.M. et al. (2022) 'Strategy for Sustainability of Social Enterprise in Indonesia: A Structural Equation Modeling Approach', *Sustainability (Switzerland)*, 14(3). Available at: <https://doi.org/10.3390/su14031383>.
- Elkington, J. (2013) 'Enter the triple bottom line', *The Triple Bottom Line: Does it All Add Up*, 1(1986), pp. 1–16. Available at: <https://doi.org/10.4324/9781849773348>.
- Enciso-Alfaro, S.Y. and García-Sánchez, I.M. (2023) 'Corporate governance and environmental sustainability: Addressing the dual theme from a bibliometric approach', *Corporate Social Responsibility and Environmental Management*. John Wiley and Sons Ltd, pp. 1025–1041. Available at: <https://doi.org/10.1002/csr.2403>.
- Fechete, F. and Nedelcu, A. (2019) 'Performance management assessment model for sustainable development', *Sustainability (Switzerland)*, 11(10). Available at: <https://doi.org/10.3390/su11102779>.
- Fisher, N.I. (2021) 'Performance Measurement: Issues, Approaches, and Opportunities', *Harvard Data Science Review*, 3(4). Available at: <https://doi.org/10.1162/99608f92.c28d2a68>.
- Gasca, L. (2017) 3 Reasons Why Social Enterprises Fail - and What We Can Learn from Them, *Economic Progress*. Available at: <https://www.weforum.org/agenda/2017/06/3-reasons-why-social-enterprises-fail-and-what-we-can-learn-from-them/#:~:text=Failure%20rates&text=As%20for%20how%20long%20the,10%20years%20as%20a%20company>. (Accessed: 20 March 2024).
- Gutterman, A.S. (2020) 'Sustainability Performance Measurement'. Available at: <https://doi.org/10.13140/RG.2.2.21567.64168>.
- Haanaes, K. (2022) 'Why All Business Should Embrace Sustainability', *IMD*.
- Halkias, D., Neubert, M. and Harkiolakis, N. (2020) *Multiple Case Study Data Analysis for Doctoral Researchers in Management and Leadership Introduction to the Multiple Case Study Method*.
- Hariram, N.P. et al. (2023) 'Sustainalism: An Integrated Socio-Economic-Environmental Model to Address Sustainable Development and Sustainability', *Sustainability (Switzerland)*, 15(13). Available at: <https://doi.org/10.3390/su151310682>.
- Hoffman, A.J. (2018) 'The Next Phase of Business Sustainability', *Stanford Social Innovation Review*, Spring, pp. 35–39. Available at: www.ssir.org.
- Islam, S.M. (2020) 'Towards an integrative definition of scaling social impact in social enterprises', *Journal of Business Venturing Insights*, 13(March), p. e00164. Available at: <https://doi.org/10.1016/j.jbvi.2020.e00164>.

- Jääskeläinen, A. and Luukkanen, N. (2017) 'The use of performance measurement information in the work of middle managers', *International Journal of Productivity and Performance Management*, 66(4), pp. 479–499. Available at: <https://doi.org/10.1108/IJPPM-02-2016-0043>.
- Jayawardhana, K., Fernando, I. and Siyambalapitiya, J. (2022) 'Sustainability in Social Enterprise Research: A Systematic Literature Review', *SAGE Open*, 12(3). Available at: <https://doi.org/10.1177/21582440221123200>.
- Jha, S.K., Bhawe, N. and Satish, P. (2021) 'Scaling social enterprises through product diversification', *Sustainability (Switzerland)*, 13(21). Available at: <https://doi.org/10.3390/su132111660>.
- Kamaludin, M.F., Xavier, J.A. and Amin, M. (2022) 'Social entrepreneurial sustainability during the COVID-19 pandemic', *Social Enterprise Journal*, 18(2), pp. 344–363. Available at: <https://doi.org/10.1108/SEJ-05-2021-0041>.
- Kato, S. (2021) 'Social performance measurement adoption in nascent social enterprises: Refining the institutional model', *Journal of Business Venturing Insights*, 15. Available at: <https://doi.org/10.1016/j.jbvi.2021.e00244>.
- Ketprapakorn, N. and Kantabutra, S. (2019) 'Sustainable social enterprise model: Relationships and consequences', *Sustainability (Switzerland)*, 11(14). Available at: <https://doi.org/10.3390/su11143772>.
- Kolodinsky, R.W., Ritchie, W.J. and Çapar, N. (2022) 'Social Enterprise Legitimacy: Application of Accountability Mechanisms as a Multi-Institutional Context Strategy', *Journal of Public and Nonprofit Affairs*, 8(2), pp. 195–216. Available at: <https://doi.org/10.20899/JPNA.8.2.195-216>.
- Kuznecova, J. (2016) 'Social Enterprises' Startups: Possibilities And Barriers', *Journal of Business Management [Preprint]*, (11).
- Lubberink, R. (2019) 'Social Entrepreneurship and Sustainable Development', in, pp. 1–11. Available at: https://doi.org/10.1007/978-3-319-71058-7_47-1.
- Lyons; David (2023) Sector Failed by Lack of Long-Term Finance - New Social Enterprise UK Research, *Pioneers Post*. Available at: <https://www.pioneerspost.com/news-views/20231206/78bn-sector-failed-lack-of-long-term-finance-new-social-enterprise-uk-research> (Accessed: 20 March 2024).
- Mason, C., Roy, M.J. and Carey, G. (2019) 'Social enterprises in quasi-markets: exploring the critical knowledge gaps', *Social Enterprise Journal*, 15(3), pp. 358–375. Available at: <https://doi.org/10.1108/SEJ-09-2018-0061>.
- Mensah, J. (2019) 'Sustainable development: Meaning, history, principles, pillars, and implications for human action: Literature review', *Cogent Social Sciences*, 5(1). Available at: <https://doi.org/10.1080/23311886.2019.1653531>.
- Merriem, S.B. and Tisdell, E.J. (2016) *Qualitative Research A Guide to Design and Implementation*. Fourth Edition. San Francisco: John Wiley & Sons, Inc.
- Mikołajczak, P. (2022) 'How do barriers to the activities of social enterprises affect their financial situation? Evidence based on data from Poland and resource mobilization theory', *Journal of Entrepreneurship in Emerging Economies*, 14(1), pp. 93–110. Available at: <https://doi.org/10.1108/JEEE-07-2020-0217>.
- Misso, R. et al. (2018) *Sustainable development and green tourism: new practices for excellence in the digital era*, J. *International Business and Entrepreneurship Development*.
- Morse, J.M. (2000) 'Determining Sample Size', *Qualitative Health Research*, 10(1), pp. 3–5.
- Morton, S., Pencheon, D. and Squires, N. (2017) 'Sustainable Development Goals (SDGs), and their implementation', *British Medical Bulletin*. Oxford University Press, pp. 81–90. Available at: <https://doi.org/10.1093/bmb/ldx031>.
- Nguyen, L., Szkudlarek, B. and Seymour, R.G. (2015) 'Social impact measurement in social enterprises: An interdependence perspective', *Canadian Journal of Administrative Sciences*, 32(4), pp. 224–237. Available at: <https://doi.org/10.1002/cjas.1359>.
- Nigri, G. and Baldo, M. Del (2018) 'Sustainability reporting and performance measurement systems: How do small- and medium- sized benefit corporations manage integration?', *Sustainability (Switzerland)*, 10(12). Available at: <https://doi.org/10.3390/su10124499>.
- Nurindrasari, D. et al. (2022) 'Designing Performance Measurement for Developing Sustainability of Social Enterprise', *Review of Integrative Business and Economics Research*, 11(4).
- Oliński, M. and Mioduszewski, J. (2022) 'Determinants of Development of Social Enterprises according to the Theory of Sustainable Development', *Sustainability (Switzerland)*, 14(23). Available at: <https://doi.org/10.3390/su142315679>.
- Öncer, A.Z. (2018) 'Performance Measurement in Social Enterprises', in, pp. 205–231. Available at: <https://doi.org/10.4018/978-1-5225-5687-9.ch010>.

- Patton, M.Q. (2015) *Qualitative Research and Evaluation Methods*.
- Pradhan, P. et al. (2017) 'A Systematic Study of Sustainable Development Goal (SDG) Interactions', *Earth's Future*, 5(11), pp. 1169–1179. Available at: <https://doi.org/10.1002/2017EF000632>.
- Pratono, A.H., Nawangpalupi, C.B. and Sutanti, A. (2023) 'Achieving sustainable development goals through digitalising creative works: some evidence from social enterprises in Indonesia', *Digital Economy and Sustainable Development*, 1(1). Available at: <https://doi.org/10.1007/s44265-023-00011-4>.
- Ravenscroft, J. et al. (2017) 'Measuring scientific impact beyond academia: An assessment of existing impact metrics and proposed improvements', *PLoS ONE*, 12(3). Available at: <https://doi.org/10.1371/journal.pone.0173152>.
- Ryan, C. (2020) 'Session 5: Introduction to the 5 Ps'. Pohnpei: FSM National VNR Workshop.
- Samsuddin, M.E., Md Salleh, M.F. and Azman Ong, M.H. (2023) 'Sustainability Of Social Enterprises: The Role Of Sustainability Accounting', *Advanced International Journal of Business, Entrepreneurship and SMEs*, 5(16), pp. 47–55. Available at: <https://doi.org/10.35631/aijbes.516005>.
- Santos, D. de A. et al. (2021) 'Theoretical Proposal for an Integrated Sustainability Performance Measurement System in the Supply Chain', *Frontiers in Sustainability*. Frontiers Media S.A. Available at: <https://doi.org/10.3389/frsus.2021.720763>.
- Saunders, M.N., Lewis, P. and Thornhill, A. (2023) *Research Methods for Business Students*. Ninth. Harlow: Pearson Professional Limited. Available at: <https://www.researchgate.net/publication/367780349>.
- Sebhatu, S.P. (2009) *Sustainability Performance Measurement for sustainable organizations: beyond compliance and reporting*. Available at: <https://www.researchgate.net/publication/228946028>.
- Shayan, N.F. et al. (2022) 'Sustainable Development Goals (SDGs) as a Framework for Corporate Social Responsibility (CSR)', *Sustainability (Switzerland)*, 14(3). Available at: <https://doi.org/10.3390/su14031222>.
- Sohns, T.M. et al. (2023) 'Green business process management for business sustainability: A case study of manufacturing small and medium-sized enterprises (SMEs) from Germany', *Journal of Cleaner Production*, 401. Available at: <https://doi.org/10.1016/j.jclepro.2023.136667>.
- Steiner, A. and Teasdale, S. (2019) 'Unlocking the potential of rural social enterprise', *Journal of Rural Studies*, 70, pp. 144–154. Available at: <https://doi.org/10.1016/j.jrurstud.2017.12.021>.
- Sugiawan, Y., Kurniawan, R. and Managi, S. (2023) 'Assessing the United Nations sustainable development goals from the inclusive wealth perspective', *Scientific Reports*, 13(1). Available at: <https://doi.org/10.1038/s41598-023-28540-0>.
- Summerfield, R. (2020) *The Impact of Social Entrepreneurship on Economic Growth*, *Financier Worldwide Magazine*. Available at: <https://www.financierworldwide.com/the-impact-of-social-entrepreneurship-on-economic-growth> (Accessed: 20 March 2024).
- Tremblay, D. et al. (2020) 'Sustainable development goal interactions: An analysis based on the five pillars of the 2030 agenda', *Sustainable Development*, 28(6), pp. 1584–1596. Available at: <https://doi.org/10.1002/sd.2107>.
- Tykkyläinen, S. and Ritala, P. (2020) 'Business model innovation in social enterprises: An activity system perspective', *Journal of Business Research*, (February 2019), pp. 1–14. Available at: <https://doi.org/10.1016/j.jbusres.2020.01.045>.
- Voinea, C.L. et al. (2019) 'Drivers for sustainable business models in start-ups: Multiple case studies', *Sustainability (Switzerland)*, 11(24). Available at: <https://doi.org/10.3390/su11246884>.
- Winston, A. (2022) 'Sustainable Business Went Mainstream in 2021', *Harvard Business Review* [Preprint].
- Woo, E.J. and Kang, E. (2020) 'Environmental issues as an indispensable aspect of sustainable leadership', *Sustainability (Switzerland)*, 12(17). Available at: <https://doi.org/10.3390/su12177014>.
- Yin, R.K. (2003) *Case Study Research. Design and Methods*, SAGE Publications, pp. 93–96. Available at: <https://doi.org/10.1097/FCH.0b013e31822dda9e>.