SUSTAINABILITY AND ACCOUNTABILITY OF SOCIAL ENTERPRISE

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ABSTRACT

Accountability is a pervasive issue for social entrepreneurial non-profit organisations (NPOs), which are also known as social enterprises as they seek to balance their social mission with financial responsibility. With the increased need for accountability, social enterprises need to identify the relevant factors of sustainability since increased in the scope and size of the social enterprise will indirectly trigger sustainability issue. Thus, this study aims to examine the extent of social enterprise's sustainability in relation to the relevant factors that affect organisational sustainability. The four main factors are leadership capacity, adaptive capacity, management and technical capacity and financial viability. Content analysis was used to measure the extent of sustainability from the information disclosed in annual reports by 210 organisations registered under the Registry of Societies (ROS) in Malaysia. Findings from the study indicate that most of the social enterprises are aware that effective leadership is vital for organisational sustainability. However, management and technical aspects tend to be neglected possibly due to lack of adequate resources and facilities to adapt to current changes. Overall, this study highlights that in order to discharge accountability, the social enterprise need to appropriately address relevant factors that influence organisational sustainability especially on management and technical aspect in achieving the balance between social mission and financial responsibility.

Keywords:*Non-profit organisations, Social Enterprise, Accountability, Sustainability, Performance.*

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INTRODUCTION

Currently, there is a significant growth in the "third sector" which is neither classified as public sector, nor the private sector. This "third sector", often called as "non-profit organisation (NPO)" is important to serve the needs of society which is not fulfilled by public or private sector (Austin, Stevenson, & Wei-Skillern, 2006; Defourny, 2001). Following the development of the third sector, social entrepreneurial NPO, which is also known as social enterprise, has emerged as a sub-division of the third sector which is not under the priority to seek profit nor serve as part of the public sector (Connolly & Kelly, 2011; Teasdale, 2010).

In brief, social enterprise is an organisation that has the aim of serving members of society, rather than generating profit, has independent management and a democratic decision-making process, and prioritizes people and labour over capital in the distribution of income (Barclay, 2006; Defourny, 2001; Overall, Tapsell, & Woods, 2010; Schöning, Noble, Heinecke, Achleitner, & Mayer, 2012). It is important to highlight that social enterprises in this study would refer to NPOs that have been operating within the social as well as business motive.

The development of social enterprises has been triggered by the increase in demand for sustainability among the NPOs due to the lack in funds to support their core activities as well as the increase in competition for the scarce resources (O'Connor, Elson, Hall, & Reimer, 2012; Teasdale, 2010). In social enterprise, sustainability means ability to survive so that it can continue to serve its community and related stakeholders (Sontag-Padilla, Staplefoote, & Morganti, 2012).

Since social enterprises are established to accomplish altruistic rather than financial goals, their accountability systems have often developed on an exigency basis. The related stakeholders such as volunteers and donors, who have made significant contributions to the development and resources of the social enterprises are thus entitled to effective systems of accountability (Abraham, 2003). With the increase in the scope and size of the social enterprise, there is an increased need for accountability especially on financial aspects as it will influence the organisational sustainability. Accountability serves as a core concept that is central to organisational performance (Pearson & Sutherland, 2017), especially in meeting the needs of the beneficiaries. Thus, it is vital for organisation to remain sustainable in order to ensure achievement of the organisation's goal (Yasmin & Haniffa, 2017).

However, the social enterprise faces difficulty in determining which factors are relevant for the organisation's sustainability, thus indicating a gap in knowledge on relevant factors that could affect the organisational sustainability. As compared to commercial enterprise, it is more difficult to measure the sustainability of social enterprise since the measurement is not limited only on tangible and quantifiable measures, but may extend to intangible and non-quantifiable measurement such as social impact (Austin, Stevenson, & Wei-Skillern, 2006).

The above-mentioned situations highlight that the social enterprise needs to properly identify the relevant factors that influence the organisational sustainability in order to achieve accountability by seeking balance between social mission and financial responsibility (Orth & Kohl, 2013). Thus, this study aims to examine the extent of social enterprise's sustainability in relation to the relevant factors that affect organisational sustainability because social enterprise is not immune to the same challenges that commercial enterprises would face due to different working environments as well as different organisation's motives (Organizational Readiness, 2014).

LITERATURE REVIEW

Social Enterprise

In line with the growth of the third sector, social enterprise, a new entrepreneurial spirit has focused on social aims emerged as sub-division of the third sector and has been acknowledged worldwide since the late 1990s (Teasdale, 2010). There are two theoretical approaches that are related to third sector, which are the "non-profit sector" approach and the "social economy" approach. As such, the third sector is seen as an intermediate space in which the public sector and for-profit sector can be combined due to its flexibility that help to reconcile the notions of the "non-profit sector" and the "social economy" (Defourny, 2001). This situation gives space for emergence of social enterprise.

The development of social enterprise relates to state and market failure which has indicated unfulfilled demands and needs of society as well as inequitable distribution of goods and services in the free market especially those related to social needs (O'Shaughnessy, Casey, & Enright, 2011; O'Connor, Elson, Hall, & Reimer, 2012; Teasdale, 2010). Besides, this development has also been influenced by other factors such as limited funds and resources that motivate NPOs to search for other alternatives in order to sustain. NPOs need to compete with each other for resources and funding, such as government grants and contracts, volunteers and political attention (Al-Tabbaa, Gadd, & Ankrah, 2013; Austin et al., 2006; Kong, 2007, 2010; Organizational Readiness, 2014; Rajput & Chopra, 2014; Teasdale, 2010; Weerawardene, McDonald, & Mort, 2010).

Hence, in order to overcome these problems, NPOs move towards the social entrepreneurship types of venture through the involvement in commercial activities which has enabled them to access more funds and attract talent by offering sufficient level of wages to employees, without compromising the social mission as main objective (Austin et al., 2006; O'Connor et al., 2012). As a result, this has reduced the reliance of NPOs on traditional funds such as grants and donation, while increasing the reliance on earned income in order to sustain their charitable work (Barclay, 2006; Chew & Lyon, 2012; Teasdale, 2010; Weerawardene et al., 2010).

In common, social enterprise can be defined as NPOs with a priority to create social value, rather than wealth creation, and the activity is influenced by innovation, or creation of something new rather than simply replicating the existing practices (Overall, Tapsell, & Woods, 2010; Sarros, Cooper, & Santora, 2011). It is important to notify that the term "social enterprise" does not define any form of legal structure. Instead, it can refer to description of an organisation itself and the activity (Barclay, 2006; O'Connor et al., 2012).

Accountability and Sustainability of Social Enterprise

Accountability is an ethical concept that is universal in nature and can be applied to all aspects in the form of governance (Ali, Said, Omar, Rahman, & Othman, 2012). A study done by (Dhanani & Connolly, 2012) has stated the four key themes of NPOs' accountability; strategic accountability, fiduciary accountability, financial accountability and procedural accountability. Strategic accountability relates to the purpose of the NPOs' existence such as vision and mission, actions (activities and programmes) and also results (impact). Fiduciary accountability is about details of governance structure, processes as well as policy details to confirm the protection of the funds. Financial accountability is concerned on the financial outlook and the trends, and factors underlying the financial development. Lastly, procedural accountability is based on internal organisational operations and designed to confirm that management procedures are aligned with societal norm and beliefs. Thus, it can be observed that these four key themes are closely related to organisational sustainability as it helps to seek balance between social mission and financial responsibility.

In general, the integral concept of sustainability refers to the interrelationships among the society, environment, and economy (Hutchins & Sutherland, 2008; Jeurissen, 2000). This concept also infers that social enterprises are accountable to various stakeholders. Following this proposition, sustainability for social enterprises can be defined as the ability to continue serving the community and the related stakeholders, (Sontag-Padilla et al., 2012) and in return, have trust in the organization's ability to fulfil its commitments placed onto them by the stakeholders (Weerawardene et al., 2010). Under the business perspective, sustainability refers to a variety of ways to respond to certain changes, including the growth in human population and rapid development in economies, both which pressure resources and create volatility in the organisation (McPhee, 2014).

In social enterprise, the financial aspect is perceived as an important element for sustainably, which reflects that weakness in managing financial resources may impair the organisation's performance (O'Connor et al., 2012; Organizational Readiness, 2014; York, 2014). Variability of income in terms of donation as well as profit from business idea represents the financial viability of the organisation. Financial viability indicates the assessment of aspects that is within and outside the control of organisation which refers to income and expenditure of organisation (Barclay, 2006). In terms of funding sources, social entrepreneurs depend on a wide range of sources, such as individual donations, government grants, member fees, and any other donations from other entities.

It is important for the social enterprise to have diversified sources of income in order to sustain in the future by maintaining the break-even position while fulfilling social objectives at lower costs and reducing the risk of income fluctuations (Chew & Lyon, 2012; Connolly & Kelly, 2011; Sontag-Padilla et al., 2012; York, 2014). Besides that, a study done by Cyril F. Chang and Howard P. Tuckman (1991) to measure the financial vulnerability of NPOs found that the financial vulnerability denotes that the organisation lacks the ability to avoid cutbacks in services or programmes during an economic downturn.

However, the sustainability of social enterprise does not depend solely on financial aspects due to changes in characteristics, nature, and operation of social enterprise. Instead, in order to comprehensively evaluate the sustainability of social enterprise, non-financial aspects need to be taken into consideration (Overall et al., 2010; York, 2014). TCC Group, an organisation that is actively involved in non-profit sector has identified four key elements for social enterprise's sustainability from non-financial perspectives which are leadership capacity, adaptive capacity, management capacity and technical capacity (York, 2014).

Social entrepreneur, as a leader of social enterprise, ought to have sufficient skills to manage a diversity of relationships with members, funders, employees, volunteers and other stakeholders in order to deliver programmes or services that bring valuable resources to social enterprise (Austin et al., 2006; Jiao, 2011; Ógáin, Lumley, & Pritchard, 2012; Schöning, Noble, Heinecke, Achleitner, & Mayer, 2012; York, 2014). Since social enterprise may have multiple mission and objectives, it is important for the social entrepreneur to clearly understand and deliver the vision of the organisation to the public (New Level Group (LLC), 2006).

Besides, adaptability is also perceived as key to sustainability, which refers to the ability of an organisation and its related individuals to generate more income and overcome the difficult task of utilizing the limited resources to deliver services and programmes to society (York, 2014). Most importantly, those involved in the social enterprise need to be well-equipped with knowledge and related resources in order to adapt to the shift in the economy while fulfilling its mission and objectives (Organizational Readiness, 2014). Social enterprise that continuously monitors its potential threats and opportunities will indirectly help the organisation to develop an adaptive strategy that takes into consideration various possibilities.

Moreover, it is important for the social enterprise to ensure that appropriate people and systems are available in the organisation, such as maintaining systems for database and reporting

(Barclay, 2006). This is vital in order to address the resource gap, which may impair the performance of social enterprise, thus triggering the sustainability issue (Asia Pacific Group on Money Laundering, 2011). Marketing for social enterprise such as websites, social media sites and live feeds of information like Facebook, Twitter and Instagram promotes the opportunity to express uniqueness and activities implemented by the organisation. However, lack of resources and time to publicize social and business mission may hamper marketing strategies of social enterprise (O'Connor et al., 2012).

METHODOLOGY

Sample Selection and Data Collection

In this study, 210 samples out of the 400 organisations registered under the ROS in Malaysia were randomly selected based on the available annual reports and data of the registered organisations under the ROS for the year ended 2010. Simple random sampling was chosen because it would provide a high generalizability of findings for this study (Sekaran & Bougie, 2013). Annual reports were chosen for the year of study since this was the latest year that data were available.

Next, the organisation might already be classified as social enterprise if it met any one of these following criteria; it delivered services under contract, charged beneficiaries fees for some of the services, offered products or services such as training, have had some other trading income, and have had separate trading company which has contributed its profits to the enterprise (Akingbola, 2013; Barclay, 2006; O'Connor et al., 2012). Beneficiaries were those people who have received or enjoyed the services provided by the social enterprise by paying a certain amount of money such as membership fees.

The data in this study were collected using the content analysis method. Content analysis could offer a useful approach to study the content of documents in a systematic, objective and quantitative mode (Zainon, Atan, & Wah, 2014).The data were obtained from annual reports as well as from Form 9. Annual reports would contain information in terms of financial and organisation's programmes while Form 9 consisted of essential information given every year by the registered organisations in pursuant to Section 14 (1), the Societies Act, 1966 (The Registry Of Societies Malaysia, 2014).

Sustainability Index for Social Enterprise

Due to changes in the organisation's characteristics which have become more hybrid in terms of operation and activities (Chew & Lyon, 2012), the sustainability of social enterprise did not depend solely on financial stability, instead it could also be accessed from the various non-financial aspects (Overall et al., 2010; York, 2014). This has led to the development of the comprehensive sustainability index as a measurement tool to evaluate the organisation's effectiveness in handling the daily operations as well as to ensure that accountability is successfully achieved.

In order to take into consideration the non-financial aspects of the organisational sustainability, the development of the sustainability index was constructed based on a reliable and valid survey, the Core Capacity Assessment Tool (CCAT) developed by the TCC Group which evaluates the non-profit effectiveness from four factors which are leadership capacity, adaptive capacity, management capacity and technical capacity (TCC Group, 2009; York, 2014). For the past 15 years, TCC Group has provided strategic planning, programme development, evaluation and consulting services to NPOs, specifically to social enterprise. Thus, CCAT can serve as the basis for the analysis of organisational sustainability since this tool has been developed based on a thorough review on non-profit performance in previous years.

Besides, these factors have also further been described by other organisations that are actively involved in the non-profit sector such as New Level Group (LLC), Centre for Charity Effectiveness, RAND Corporation, the Third Sector Research Centre (2012) and the Global Reporting Initiative (GRI). These organisations have discussed on sustainability issues from various perspectives that have evolved within the four factors discussed previously under CCAT which are leadership capacity, adaptive capacity, management capacity and technical capacity.

In addition, the construction of the sustainability index for social enterprise has also been enhanced by referring to the guidelines set out by Financial Action Task Force (FATF) on "Methodology For Assessing Technical Compliance with The FATF Recommendations and The Effectiveness of AML/CFT Systems (2013)" and "Best Practices Combating The Abuse of Non-Profit Organisations (Recommendation 8) (2013)" in order to take into consideration the effectiveness of social enterprise in dealing with money laundering as well as countering the financing of terrorism. This was important since there was abuse of social enterprise done without the knowledge of donors, or even the members and the staff, due to irresponsible actions by the staff or members of the organisation itself (FATF, 2013a). Any involvement with terrorism financing and money laundering might impair the accountability and sustainability of social enterprise in the future.

The first factor in the sustainability index of social enterprise is leadership capacity which refers to the ability to create and sustain a vision, to make decision, to provide direction and to innovate in order to achieve the organisation's mission. Currently, attention has been given to the organisation's members, especially the directors or those with equivalent position, since their role was important in ensuring the performance of the organisation through proper strategic planning as well as influencing the day-to-day operational management of the organisation (Al-Tabbaa et al., 2013).

The second factor in the sustainability index of social enterprise is adaptive capacity, which refers to the ability to monitor, assess, respond to, and adapt to changes in the environment. This factor is needed to be taken into consideration since social enterprise would have the difficulty to survive if it was inefficient in running its activities such as lack of resources and time to advertise their social mission (O'Connor et al., 2012). When a business is operating and undergoes daily changes, social enterprise needs to have the ability to respond quickly to decision-making by managing conflicts and learning how to resolve them in a proper and right way.

The third factor in the sustainability index of social enterprise is the management capacity, which refers to the ability to use the resources effectively and efficiently, while the technical capacity indicates the resources such as facilities and technology that are required to perform the organisation's mission and strategies. In this study, the management capacity and technical capacity were combined as one factor in the sustainability index for social enterprise. Social enterprise will be able to sustain by having adequate resources and facilities to deliver their services. Staff and volunteers are important resources as they are responsible to help the organisation in running the daily operation and activities. Thus, there was a need for staff and volunteers management so that they were competent enough to accomplish the tasks given. Besides, the compliance with governance also needed to be observed through the evaluation of the organisation's governance practices and occupational health and safety programmes adopted by them. This is to ensure social enterprises are managing their organisation and resources in a correct and proper way.

The last factor in the sustainability index of social enterprise is financial viability, which measures the ability of the organisation to sustain in terms of fund availability, cost effectiveness as well as cost efficiency (Barclay, 2006; York, 2014). Cost effectiveness is the quality of services delivered, while cost efficiency refers to the number of stakeholders that can enjoy benefit from services delivered by the organisation. Under financial viability, the social enterprise's financial vulnerability has also been given attention since a high level of financial vulnerability would reflect a low level of survivability for the social enterprise (Chang & Tuckman, 1991b). An organisation with relatively high surplus margin might be less vulnerable to financial problems, thus ensuring financial sustainability. On the other hand, higher debt ratio might trigger financial issues such as default in payments, thus opening the organisation to financial problems.

It is impossible to achieve accountability if the financial sustainability was absent in the organisation (O'Connor et al., 2012). Basically, social enterprise is required to demonstrate good financial management in order to communicate good image to the stakeholders. Financial transparency would become the main interest of the donors, organisations, and authorities since social enterprise has entitlements for grants and donations (FATF, 2013a; Agyemang, O'Dwyer,Unerman & Awumbila, 2017). One of the alternatives for social enterprise to show transparency is by having registered and proper bank accounts. This could be achieved by keeping the funds received in the accounts and utilizing the proper and formal financial channels for transferring funds. Besides, the financial transparency could also be enhanced through audited financial statements by appointing external auditors to audit the organisation's financial statements.

In summary, the sustainability index for social enterprise has discussed the sustainability of social enterprise under the four main factors which are leadership capacity, adaptive capacity, management and technical capacity and financial viability. Table 3.1 below summarizes the sustainability index of social enterprise.

Each information on the sustainability index was identified to determine whether the measured factor was available or not. For each indicator that was available and met the measurement criteria, the score of one ('1') was given, but if otherwise, the score zero ('0') was given (Bepari, Rahman, & Mollik, 2014; Zainon et al., 2014). The score of ('1') indicated that the organisation was sustainable in relation to the measured indicator while the score of ('0') indicated otherwise. However, it was important to note that two indicators under the financial viability element of the sustainability index for social enterprise, which referred to the financial vulnerability, were measured with different interpretations. Surplus margin was considered as sustainable if the ratio exceeded 40 percent while for debt ratio, it was considered as sustainable if the ratio was less than 30 percent (Chang & Tuckman, 1991a; Trussel, 2002). The score was then converted to score ('1') if sustainable and ('0') if otherwise. For each social enterprise, the sustainability index score is calculated based on the following formula:

Sustainability index, I_j

$$= \frac{\sum^{n} X_{ij}}{25} \times 100$$

n= Number of indicators disclosed

X_{ij} = 1 if the indicator is disclosed and '0' if otherwise

Table 3. 1: Sustainability Index for Social Enterprise

Factors	Measurement	Description
Leadership Capacity		
1)Leader vision	Evidence of future plan	There is statement about the organisation's plan for the future
2)Leader influence	Evidence of stakeholders' involvement in the strategic planning process	Majority of the members present during the annual general meetings
3)Board's corporate profile	Evidence of details on persons who control or direct activities such as board members and trustees	Details about the members of the organisation presented in Form 9
4)Statement of core values	Evidence of statement of core values/ culture	There is statement about the core values/ culture that the organisation aims to achieve
5)Board's competency	Evidence of experience in area of service among board members	The member is classified as having the experience if working/involves in the related area of services
6)Financial expertise	Evidence of financial expertise among board members	The member is classified as having the financial expertise if working/involves directly with accounting matters
Adaptive Capacity		
1)Programme's objectives	Evidence of purpose and objectives of stated activities	The organisations justify the purpose and objectives of the related services/ activities
2)Programme resource adaptability-staff	Evidence of staff to fulfil the programme resources	Staff is available to manage the activities
3)Trading idea adaptability	Evidence of trading idea which will generate income and may or may not be related to the charitable purpose	There is planning about the trading activities of the organisation
4)Programme's success	Evidence of programme's success	There is statement about the programme's success or improvement in the daily activities through increase in income
5)Stakeholder's relationship	Evidence of stakeholder' involvement in programmes conducted	There is statement about stakeholder's involvement in program was conducted
6)Risk and opportunities	Evidence of risk and opportunities	The organisation realizes and states about the future business condition which is related to risk and opportunities
Management and Technical Capacity		
1)Staff development	Evidence of training/experienced staff	Staff attend or involve in training programmes
2)Volunteer management	Evidence of training and proper rewarding of the volunteers	There is training and proper rewarding of the volunteers
3)Facilities	Evidence of proper facilities to run efficient programmes	There are facilities such as related property, plant and equipment available in the organisation
4)Marketing skills	Evidence of ability to advertise or promote activities to the	There is expense related to activities that promote the organisation's activities

	stakeholders	
5)Technology capacity	Ability of technology usage such as social media to reach stakeholders	The organisation has the related assets that involve technology usage or show evidence of expenses spent on technology
6)Governance practice	Evidence of code of ethics and organisational procedures	The organisation has internal control and shows application of good governance practice -has notes to the account that shows consistency in preparation of account
7) Occupational health and safety	Evidence of health and safety programs at the organisation	There is evidence of health and safety programs or equipment at the organisation such as expenses incurred such as insurance or availability or related equipment
Financial Viability		
1)Grant funding support- government	Evidence of grant receipt for funding by government	The income of the organisations comes from funds given by government
2)Mixed income model	Evidence of diversified sources of income (not heavily relied on government grant)	The income of the organisation comes from various resources
3) Audited financial statement	Evidence of audited financial statement	Financial statement is audited by the auditors
4)Bank accounts	Evidence of formal and registered financial channels such as registered bank accounts	The organisation has formal and registered bank accounts
5) Surplus margin	$\frac{\text{Revenue-expenditure}}{\text{Revenue}}$	Organisation with relatively high surplus may be less vulnerable to financial problems
6) Debt ratio	$\frac{\text{Total liabilities}}{\text{Total asset}}$	The lower the debt ratio, the less vulnerable the organisation to the financial problems

RESULTS AND DISCUSSION

Table 4.1: Descriptive Statistic for Organisational Sustainability

	Minimum	Maximum	Mean	Std. Deviation
SSE	0.24	0.96	0.5771	0.1294

Abbreviation: SSE represents sustainability score in the sustainability index.

Table 4.1 shows the descriptive statistics for the organisational sustainability under the sustainability index of social enterprise. From 210 samples of organisations selected, the mean value of sustainability index was 57.71% with the minimum value of 24% and up to a maximum value of 96%. The mean value indicated a fairly high percentage of sustainability by the social enterprises. Out of 210 samples selected, 131 social enterprises scored above the mean value of 57.71%. Thus, this indicates that on average, the social enterprises in Malaysia will be able to survive in the future.

Table 4.2: Descriptive Statistics for Factors that Influence the Organisational Sustainability

	Minimum	**Maximum**	**Mean**	**Std. Deviation**
Leadership	0.00	1.00	0.6634	0.2148
Adaptive	0.00	1.00	0.6204	0.2674
Management	0.00	1.00	0.4209	0.2329
Financial	0.17	1.00	0.6223	0.1401

Abbreviation: Leadership represents leadership capacity, Adaptive represents adaptive capacity, management refers to management and technical capacity, financial refers to financial viability

From Table 4.2, leadership capacity ranges from 0.00% to 100.00% with the mean value of 66.34%. This shows that a majority of the social enterprises had the leadership capacity to ensure the sustainability of social enterprise in the future. Most of the leaders in the social enterprise were able to direct and manage the organisations towards achieving the mission of their organisations. The need for and dependency on effective leadership were crucial to develop the credibility and reputation which suggest high levels of trust and loyalty between the sustainable social enterprises and their stakeholders especially funders and employees (York, 2014).

Adaptive capacity ranged from 0.00% to 100.00% with the mean value of 62.04% which indicated that most of the social enterprises were able to adapt with the current environment. It was important for the organisations to be able to adjust their operation and activities with changes in the environment while fulfilling the visions in order to ensure the sustainability in the future. Management and technical capacity ranged from 0.00% to 100.00% with the mean value of 42.09%. On the average, a majority of the social enterprises in the sample did not have adequate resources and facilities to adapt with current changes. They seemed to face difficulty in acquiring and managing the resources such as insufficient facilities and equipment to run the operation and activities.

Financial viability ranged from 17% to 100.00% with the mean value of 62.23%. On the average, a majority of the social enterprises had the financial viability through diversified income in order to ensure sufficient fund to conduct the programme and activities. They also had the ability to survive during the financial depressions by having sufficient surplus of revenue and lower debt ratio which would indirectly help the organisation to avoid direct programme cutbacks in difficult times (Chang & Tuckman, 1991a).

Table 4.3: Analysis on Leadership Capacity

Leadership Capacity	Number of NPOs	%
1)Leader vision	154	73
2)Leader influence	192	91
3)Board's corporate profile	188	90
4)Statement of core values	150	71
5)Board's competency	125	60
6)Financial expertise	28	13

Table 4.3 shows that under leadership capacity, majority of the social enterprises have fulfilled the leadership capacity except for one factor which is on financial expertise. Only 13 % of the social

enterprises have the leaders with experience in accounting, thus indicating lack of knowledge in managing the financial matters of the organisation. Majority of them showed their commitment for the organization by presenting during annual general meeting and most of them also had the expertise in the related area that social enterprises served.

Table 4.4: Analysis on Adaptive Capacity

Adaptive Capacity	Number of NPOs	%
1)Programme's objectives	136	65
2)Programme resource adaptability-staff	165	79
3)Trading idea adaptability	91	43
4)Programme's success	134	64
5)Stakeholder's relationship	100	48
6)Risk and opportunities	156	74

Table 4.4 shows that of the adaptive capacity factor, trading idea adaptability and stakeholder's relationship scored 43% and 48% respectively. This highlights that almost half of the social enterprises lack planning in terms of trading activities and there was less involvement from the stakeholders in the activities conducted by the organisation. Most of the social enterprises were aware of the program's objectives and the future directions of the organisation, thus indirectly helping to contribute to the increase in income of the organisation. This was portrayed through the program's success that recorded 64%.

Table 4.5: Analysis on Management and Technical Capacity

Management and Technical Capacity	Number of NPOs	%
1)Staff development	53	25
2)Volunteer management	53	25
3)Facilities	150	71
4)Marketing skills	96	46
5)Technology capacity	83	40
6)Governance practice	91	43
7) Occupational health and safety	92	44

Table 4.5 shows that of the management and technical capacity, most of the social enterprises have the basic facilities to run the organisation. However, in terms of staff development and volunteer management, only 25 % of the social enterprises managed their staff and volunteers well by providing proper rewarding and training opportunities. 75% of the social enterprises neglected the management of staff and volunteers. This situation reflected a serious indicator since staff and volunteers are important human capital for an organisation. Inefficiency in managing human capital may impair organisational sustainability of the social enterprises.

Table 4.6: Analysis on Financial Viability

Financial Viability	Number of NPOs	%
1)Grant funding support- government	48	23
2)Mixed income model	197	94
3) Audited financial statement	124	59
4)Bank accounts	201	96
5) Surplus margin	32	15
6) Debt ratio	181	86

Table 4.6 shows that of the financial viability factor, majority of the social enterprises have multiple sources of income, audited financial statements and proper bank accounts. Besides, most of them took less debt, thus reducing the risk of financial issues such as default payment. However, in terms of grant funding support from government as well as surplus margin, only 23% and 15% of the social enterprises show that they are able to sustain in term of getting government grant and having more surplus on revenue over the expenditure respectively. This situation highlights that government grants are limited, thus social enterprises need to find other sources of income to ensure continuous flow of income in the future.

CONCLUSION AND FURTHER RESEARCH

Among the four factors, the management and technical capacity scored the lowest mean which was 42.09%. This highlighted that special attention is required on the management and technical capacity issue in order to be accountable and to achieve sustainability in the future. It was found that most of them would expand their programmes by adding staff and facilities without delivering proper knowledge, such as training to the staff and volunteers (York, 2014). This showed that issues arising under the management and technical aspects needed to be resolved so that the organisational sustainability was not being jeopardized. In conclusion, sustainability is an issue that must be addressed by all social enterprises in order to successfully discharge their accountability to achieve a balance between social mission and financial responsibility.

As recommendation for further research, future studies may include other methods of data collection to complement the secondary data and content analysis methods to provide more comprehensive data collection. Regardless of this limitation, this study provides useful insight into understanding the sustainability indicators that should be present in the organization in order to be accountable to the relevant stakeholders.

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