

**FACTORS INFLUENCING SUSTAINABILITY OF SOCIAL ENTREPRENEURSHIP
PROJECTS: A CASE OF IKO TOILET PROJECT NAIROBI COUNTY, KENYA**

BY

NJUGUNA BENSON MWANGI

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF ARTS IN
PROJECT PLANNING AND MANAGEMENT OF THE UNIVERSITY OF NAIROBI**

2015

DECLARATION

This is my original work and has not been presented for award of a degree in this University or any other institution of higher learning for examination.

.....

Date:

Njuguna Benson Mwangi

L50/66251/2013

This research project has been submitted for examination with my approval as the University Supervisor

.....

Date:

Naomi Mutunga

Lecturer, Department of Extra mural Studies

University of Nairobi

DEDICATION

This project is dedicated in memory of my grandmother Milka Wanjiku; you inspired me.

ACKNOWLEDGEMENT

I wish to appreciate and thank the Board of Post Graduate Studies of the University of Nairobi for giving me an opportunity to take this course. I sincerely wish express my appreciation to my supervisor Naomi Mutunga for her immense support and guidance throughout this research project without whose support this project would not have been complete. I also wish to appreciate the support given to me by the Resident Lecturer Dr. Mbugua John Mwaura, all the Lecturers who taught me throughout the entire course, support staff and fellow students of Nairobi Extra Mural department. I appreciate my mother Alice Wambui, my father Francis Njuguna and my fiancée Nancy Maina; for their moral support, understanding and perseverance during my study period.

Thank you all

TABLE OF CONTENTS

CONTENT	PAGE
DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS.....	v
LIST OF TABLES	viii
LIST OF FIGURES	ix
ABBREVIATIONS AND ACRONYMS	x
ABSTRACT.....	xi
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the study	1
1.1.1 Iko Toilet project Kenya	3
1.2 Statement of the problem	5
1.3 Purpose of the study.....	7
1.4 Research Objectives.....	7
1.5 Research Questions	7
1.6 Significance of the study.....	7
1.7 Limitation of the study.....	8
1.8 Delimitation of the study	8
1.9 Basic Assumptions of the study.....	8
1.10 Definition of significant terms used in the study	9
1.11 Organization of the study.....	10
CHAPTER TWO	11
LITERATURE REVIEW	11
2.1 Introduction.....	11
2.2 Social Entrepreneurship Projects	11
2.3 Demand for social entrepreneurship services and Sustainability of Social Entrepreneurship Projects.....	14
2.4 Financial returns and Sustainability Social Entrepreneurship Projects	17
2.5 Organizational Policy and Sustainability of Social Entrepreneurship Projects	19
2.6 Management Capacity and Sustainability of Social Entrepreneurship.....	20
2.7 Theoretical framework.....	22
2.8 Conceptual framework.....	24
2.9 Research knowledge gap.....	26
2.10 Summary of the chapter	28
CHAPTER THREE	29
RESEARCH METHODOLOGY.....	29

3.1	Introduction.....	29
3.2	Research Design.....	29
3.3	Target Population.....	29
3.4	Sampling technique and sample size	30
3.5	Research instrument and Data collection.....	30
3.5.1	Pilot Testing.....	31
3.5.2	Reliability test.....	31
3.5.3	Validity test.....	31
3.6	Data analysis	32
3.7	Ethical consideration.....	32
3.8	Operationalization of Variables	32
	CHAPTER FOUR.....	35
	DATA ANALYSIS, PRESENTATION AND INTERPRETATION	35
4.1	Introduction.....	35
4.2	Response Rate	35
4.3	Respondents Profile	35
4.3.1	Gender of the Respondents.....	35
4.3.2	Age of the Respondents	36
4.3.3	Education level	36
4.3.4	Years worked in the Iko toilet Project	37
4.3.5	Professional Orientation	37
4.4	Demand for social entrepreneurship services and Sustainability of social entrepreneurship projects.....	38
4.4.1	Number of Customers per day.....	38
4.4.2	Influence of Demand for social entrepreneurship services on Sustainability of Social Entrepreneurship Projects	38
4.5	Financial Returns and Sustainability of Social Entrepreneurship Projects.....	39
4.5.1	What extent is the IkoToilet facility able to cater for daily expenses	40
4.5.2	Debtor and creditor days.....	40
4.5.3	Influence of Financial returns on sustainability.	41
4.6	Organizational policy on Sustainability of Social Entrepreneurship Projects	41
4.7	Management Capacity and Sustainability of Social Entrepreneurship Projects	43
4.8	Regression Analysis.....	45
	CHAPTER FIVE	48
	SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSION AND RECOMMENDATIONS	48
5.1	Introduction.....	48
5.2	Summary of Findings.....	48
5.2.1	Demand for social entrepreneurship services and sustainability of social entrepreneurship projects	48

5.2.2	Financial Returns and sustainability of Social Entrepreneurship Projects.....	49
5.2.3	Organizational policy and Sustainability of Social Entrepreneurship Projects.....	49
5.2.4	Management Capacity and Sustainability of Social Entrepreneurship Projects	50
5.3	Discussion Key of Findings	50
5.3.1	Demand for social entrepreneurship services and sustainability of Social entrepreneurship projects	51
5.3.2	Financial Returns and Sustainability of Social Entrepreneurship Projects	51
5.3.3	Organizational policy and Sustainability of Social Entrepreneurship Projects.....	52
5.3.4	Management Capacity and Sustainability of Social Entrepreneurship Projects	52
5.4	Conclusion	53
5.5	Recommendations.....	54
5.6	Suggestions for Further Studies	54
	REFERENCES	55
	APPENDICES	59
	APPENDIX 1: LETTER OF TRANSMITTAL	59
	APPENDIX 2: QUESTIONNAIRE	60
	APPENDIX 3: IN-DEPTH INTERVIEW GUIDE.....	64
	APPENDIX 4: Research letter from National Commission on Science and Technology and Innovation.	66

LIST OF TABLES

Table 2.1 Research Gap	26
Table 3.1 Operationalization of Variables.....	33
Table 4.1: Respondent’s gender	35
Table 4.2: Age of the respondents	36
Table 4.3: Education level of Respondents	36
Table 4.4: Number of years the respondents worked in the IkoToilet projects	37
Table 4.5: Professional Orientation of project workers	37
Table 4.6: Customers per day	38
Table 4.7: Demand for social entrepreneurship services on Sustainability of Social Entrepreneurship Projects	38
Table 4.8: Demand for social entrepreneurship services influence the sustainability of social entrepreneurship projects	39
Table 4.9: What is the range of the profit you make per day	39
Table 4.10: Project is able to cater for their daily expense	40
Table 4.11: Debtor and creditor days	40
Table 4.12: Financial returns and sustainability of social entrepreneurship projects.....	41
Table 4.13: Organizational policy and Sustainability of Social Entrepreneurship Projects	42
Table 4.14: Organizational policy influence sustainability of social entrepreneurship projects	43
Table 4.15: Management Capacity on Sustainability of social entrepreneurship projects	43
Table 4.16: Management capacity and sustainability of social entrepreneurship projects	44
Table 4.17: Model Summary.....	45
Table 4.18: ANOVA Results	46
Table 4.19: Regression Coefficients	46

LIST OF FIGURES

Figure 1: Conceptual framework	24
---	----

ABBREVIATIONS AND ACRONYMS

UN	United Nation
WEF	World Economic Forum
SWS	Safe Water System
HIV	Human Immunodeficiency Virus
CBO	Community Based Organizations
NGO	Non-Governmental Organizations
SWAP	Society for Women and AIDS in Kenya
MDGs	Millennium Development Goals
ICT	Information Communication Technology
GDP	Gross Domestic Product
USA	United States of America
FAO	Food and Agriculture Organization
SPSS	Statistical Package for Social Science
GOK	Government of Kenya
EU	European Union

ABSTRACT

Social entrepreneurship has emerged as one of major ways in alleviating global poverty by achieving the social goal. The social entrepreneurship support growth and capacity to create social value. It's aimed at bringing most affordable and innovative ways to deal with community pressing needs while using local available resources. Social entrepreneurship involves influence on decision making hence a transformed community. There is need to use our limited philanthropic dollars in the best possible ways since financial stability of an organization determines its social value sustainability. This study aimed at identifying factors that influence sustainability of social entrepreneurship projects. This study sought to establish how demand, financial returns, organizational policy and management capacity influence sustainability of IkoToilet social entrepreneurship projects in Nairobi County. The study adopted Positive Theory of Social Entrepreneurship which suggests that the greatest success for a social entrepreneur is to tackle an area of positive externality in such a way that the externality is internalized for the benefit of society and the work of the social entrepreneur is no longer necessary. A target population of 55 persons working in the projects was used to provide required data for the study. A census was conducted to all 55 persons in the population and a purposive sampling was used to identify social entrepreneur and senior manager for in-depth interview. Data was collected using self-administered questionnaire, interview guide and observation method. To predict how the independent variable affects the dependent variable, the researcher used a regression model. The collected data was analyzed using Statistical package for social science version 21. The pilot test was done and the reliability test score was 0.938779, indication very high reliability. The results of the study were analyzed using descriptive statistics and presented using frequency distribution tables, mean, standard deviation and percentages. From the regression analysis the study found out that the organizational policy was the greatest influence towards sustainability of social entrepreneurship projects with 0.093, management capacity was second with 0.089, Financial returns was third with 0.075 and demand had 0.006 level of influence. This agrees with the social entrepreneur views on the greatest contributor to sustainability of the social entrepreneurship projects. 65% of respondents agreed that demand influence on the sustainability was up to a moderate extent. 63% indicated financial returns influence sustainability to a great extent. 61% of respondents agreed that organizational policy influence sustainability of social entrepreneurship projects while 69% indicated that the management capacity influences sustainability to a moderate extent. In conclusion, in as much the social entrepreneurship projects aim at addressing the most pressing need. Its demand in the community members may not be number one factor to ensure its sustainability thus when a need is met, organization policy and management capacity should also be a factor.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The phenomenon of social entrepreneurship is a comparatively new concept. It involves use of business skills and knowledge to create enterprises that accomplish social purposes in addition to being commercially viable (Emerson & Twersky, 1996). Social entrepreneurship has emerged as one of major ways in alleviating global poverty by achieving the social goal. The social entrepreneurship support growth and capacity to create social value. It aims at bringing most affordable and innovative ways to deal with community needs while using local available resources. There is need to use our limited philanthropic dollars in the best possible ways since financial stability of an organization determines its social value sustainability.

While social entrepreneurship focus on social value of the projects, it's important to understand the nature and principles of social enterprises in order to differentiate it from economic enterprises (Gartner, 1992). Social venture is social service provision thus distinguished from social entrepreneurship. The sole aim for social entrepreneurship as compared to economic enterprise that use market opportunity need to make as much profit as possible. In social venture, organization and committed individual identifies an unfortunate stable equilibrium and sets up a program to address it, for example, a school for the needy children to ensure that they are cared for and educated (Roger & Osberg, 2007).

Investors don't venture into the social entrepreneurship for profit gain but venture into it to make a difference and get a positive return on their capital. Sometimes that return is financial first, sometimes it's impact first, but both sides of the spectrum are needed to build the market at the intersection of money and meaning. Social entrepreneurship involves influence on decision making and transformed communities. Powered people shows up in the way they buy and the way they invest for good at the level of the cash that's in their wallet, value created that does not live on a balance sheet is intrinsically shared. As we measure its financial and social returns, the shape of the social entrepreneurship impact value is beneficiary to the common people (William, Walstad, & Marilyn, 2004).

Accelerating extreme poverty reduction is a huge challenge in both sub-Saharan Africa and South Asia, Given that there are approximately 400 Million and 500 Million extreme poor people in these regions respectively. The overwhelming majority of people living on less than \$1.25 a day belong to two regions: Southern Asia and sub-Saharan Africa (United Nation, 2014). Doing business with the world's 4 billion poorest people two-thirds of the world's population will require radical innovations in technology and business models (Stuart & Prahalad, 2012). Every day, we are presented with innovative non-profits and social enterprises, claiming to do good, but not every effort-no matter how well intentioned will generate equal results. With the world's increasing problems, and limited resources, we need to identify and support those initiatives that really do have the potential to change the world (Schwab Fellows of the World Economic Forum, 2015).

In Indonesia Onno Purbo's network of young technology professionals refined a low-cost Wi-Fi technology approach to extend affordable internet access to excluded communities. With a cost of \$15-\$45 per month for a household, the self-financed system is dramatically lower than dial-up systems (Ashoka, 2014). A number of existing organizational types have started to consider re-defining themselves. Collectivization of agriculture and industry in northern Vietnam in the 1960's led to the establishment of production and marketing co-operatives on a massive scale primarily instruments of state control over the means of production, co-operatives increasingly gained a very poor reputation for inefficiency and corruption particularly during the economic crisis of the 1980's. In the 1990's, the government promoted the transformation of remaining co-operatives and the establishment of 'new co-operatives' under the more mutualist provisions of the 1992. Some of these co-operatives are now starting to identify themselves as social enterprises, perhaps as a means of garnering external support from social enterprise promoters.

In Nigeria the Schwab Foundation does not give grants. Rather, it invests its limited resources in creating unprecedented opportunities where social entrepreneurs who have successfully implemented and scaled their transformational idea, can further the legitimacy of their work, have access to usually inaccessible networks, and in consequence, mobilize the financial and in-kind resources that enable them to continue to strengthen and expand (Schwab Foundation 2014).

In Kenya, most social entrepreneurship projects are initiated by non-governmental organization for example Kickstart international which focuses on providing irrigation tools to poor farmers and One Acre Fund delivers inputs, extension services, storage advice and access to markets to farmer in remote areas. In 2000, CARE Kenya implemented the safe water system (SWS) in 72 rural villages in southern part of former Nyanza Province, an impoverished region with poor coverage of improved water supply, high diarrhoea rates, and high prevalence of HIV infection (Makutsa, et al., 2001). To expand the reach of this programme, in 2002 CARE Kenya began training other non-governmental organizations (NGO) and community based organizations (CBO) to incorporate the SWS into their activities. One of these organizations, the Safe Water and AIDS Project (SWAP, formerly known as the Society for Women and AIDS in Kenya), an NGO that serves as an umbrella organization for local HIV self-help groups, employed a ‘social entrepreneurship’ model of SWS dissemination as an income generating activity, targeting poor families in rural or peri-urban communities with little disposable income and poor access to health services. In this model, SWAP group members purchased water treatment products at wholesale prices, sold them at retail prices to neighbors, and kept the difference as an incentive. Entrepreneurial product promotion and sales approach employing local residents as vendors and agents of behavior change was an effective method of increasing access to health products in populations with relatively low exposure to radio and print advertisements and limited access to retail stores (Sonfield, 2004).

1.1.1 Iko Toilet project Kenya

The Iko Toilet innovation has changed the lives of many people around Nairobi, Kenya. It all started with a mission to change how people think about toilets and ultimately the way people live. Iko Toilet, which translates to “there is a toilet” is a product made by Ecotact which was started in 2007 as a social enterprise working to find innovative ways to help solve sanitation problems in Africa. In the past 5 years this product has reached 10 million people and helped them move away from a thinking where open defecation was a norm, and it all started David’s idea (Bluenow, 2012). Ecotact strives to develop innovative answers to the growing urban environmental challenges in Africa and globally. The company envisions a world where everyone counts, a world that offers social equity, with appropriate responses to growing environmental challenges and where each individual can make a difference.

Ecotact was founded in 2006 and started operations in 2007. It is driven by the local need to improve urban and urban-rural environment through investment in environmentally responsive projects, including sanitation facilities in urban, schools and low-income settlements. The concept concentrates on optimizing social responsiveness as well as ecological systems such as Low water sanitation systems, which will reduce water consumption and increase human waste recovery in terms of energy (methane) and nutrients (nitrates and Phosphates).

The IkoToilet has developed a toilet mall concept to optimize the value of sanitation and provide a sound revenue stream and thus help in subsidizing the sanitation aspect. Before the idea of IkoToilets there were basically unusable bathroom facilities; they were dangerous, and being used as places for drug deals, robbing, and vandalism. Also, no new facilities had been built for almost 20 years, and were no longer in working order or hygienic. This fed into a cultural idea that it was better to just go to the bathroom outside than into one of the dark, dangerous toilets, and that's what people did. Calling them "flying toilets", most people would go to the bathroom in a plastic bag and then just throw the bag wherever they felt. The thing to remember though is that these people don't want to do this, but they have no other choice because their government does not provide these services for them (Dubai International Award for Best Practices, 2015). After looking at this the social entrepreneur (David) decided that he had to make a toilet that was more beautiful and safe in order to make people start thinking differently about using these facilities.

The IkoToilet product is a sustainable venture which provides a return on investment while also providing a comfortable and hygienic place for people to go to the toilet. People are charged Ksh 10 per use, and the lines that extend out from the IkoToilets show that people are willing to pay for the opportunity to use a clean toilet in an enjoyable atmosphere, and that's what they get. From the outside you'll see any number of different designs of the IkoToilet's architecture. When you walk into an IkoToilet you will immediately notice the cleanliness and some places you hear music playing to welcome you in (Bluenow, 2012). They are full bathrooms, with multiple toilets, showers, and sinks that provide clean water and soap. It's not only completely new experience for people using them but also a pretty place for common people in the developing world.

The benefits of the IkoToilet don't stop there. With all of the extra amenities you need someone to run them and so each location provides full-time employment for 10 young people from the community. This is huge in a place where the majority of the population lives in poverty. With this employment people can change their lives; they can provide for their families, or pay for school.

By 2011 there were 34 IkoToilets throughout 12 municipalities in Kenya, including in two slums. In 2009 the facilities were used by more than four million people, and in 2010 they reached more than six million people. Those are staggering numbers. If the IkoToilets weren't available there would have been ten million more instances of people going to the bathroom either out in the open or in a shady old toilet facility. And a byproduct of having a place for people to go to the bathroom is that you no longer have people putting their waste in plastic bags and then throwing them on the ground. IkoToilets have won a number of awards including Regional Social Entrepreneur of the Year for Africa 2009, Winner of the Change Makers competition and hall of fame (2008), and winner of the Schwab Fellow 2009 and Ashoka Fellow 2007 (Bluenow, 2012).

1.2 Statement of the problem

In a world where government resources and charitable donations are insufficient to address the world's social problems, impact investing offers a new alternative for channeling large-scale private capital for social benefit. With increasing numbers of investors rejecting the notion that they face a binary choice between investing for maximum risk-adjusted returns or donating for social purpose, the social entrepreneurship is now at a significant turning point as it enters the mainstream. Social entrepreneurship investments are intended to create positive impact beyond financial return. As such, they require the management of social and environmental performance in addition to financial risk and return. Social entrepreneurship return expectations outperform traditional investments and trade-off financial returns for social impact. This study therefore aims at identifying the factors influencing sustainability of social entrepreneurship projects.

The social entrepreneurs find it difficult to justify the large upfront cost of implementing a new technology and cannot afford to keep up with the salaries of quality technologists given that they

are in high demand while solving a social need. These limitations combine to make it difficult for social enterprises to easily incorporate the latest technologies or to drive innovation in technology (Ashoka, 2014). Social entrepreneurs recognize that multidimensional solutions are essential for solving the social problems they are tackling, and that providing technology alone will not ensure that it is adapted, or that it will lead to behavior change (Ashoka, 2014).

A 2014 review of progress towards the Millennium Development Goals (MDGs) concluded that Kenya was 'far behind' the target of halving the proportion of people suffering from hunger and 'slipping back' against the target on infant mortality. If we are to maximize the potential contribution of the social entrepreneurship to poverty reduction and sustainable development is most needed. With implementation of social entrepreneurship to address these social challenges this is where we ask what difference social entrepreneurship might make and whether these projects are sustainable (United Nation, 2014).

In order to ensure sustainability most social enterprises aim to achieve both financial and social goal. According to Dobele (2012) the financial performance of a social enterprise contributes to its sustainability. While studying financial health of Woolly World foundation in Latvia, the profit of the first year of operation amounted to LVL 391, which indicates the enterprise's ability of being self-sustaining. Social entrepreneurs customize and create local community networks that enable the exchange of knowledge without requiring a central coordinating body. Knowledge that is collected and shared is highly localized, specific, and received more rapidly, which creates a greater ability to act on the information, and therefore succeed in creating local health, prosperity, and education (Ashoka 2014).

The private sector contribution to sustainable development could be strengthened by tackling capacity constraints among public and civil society institutions, building the drivers for responsible business, nurturing socially-oriented companies, and encouraging local business linkages. Kivuiti, Yambayamba and Fox (2005), argue that creating space for national dialogue between government, business, civil society and donors on the role of the private sector in development can help to localize the social entrepreneurship agenda, and to build trust and mutual understanding of the potential and the limits of businesses' contribution to development.

1.3 Purpose of the study

The purpose of this study is to investigate the factors influencing sustainability of social entrepreneurship projects; A case of Iko toilet project Nairobi, Kenya.

1.4 Research Objectives

1. To examine how demand for social entrepreneurship services influence sustainability of social entrepreneurship projects in Nairobi County.
2. To establish how project financial returns influence sustainability of social entrepreneurship projects in Nairobi County.
3. To establish the extent to which organization policies influence sustainability of social entrepreneurship projects in Nairobi County.
4. To determine how management capacity influence sustainability of social entrepreneurship in Nairobi County.

1.5 Research Questions

1. To what extent does demand for social entrepreneurship services influence sustainability of social entrepreneurship projects in Nairobi County?
2. How does a financial return of a project influence sustainability of social enterprises in Nairobi County?
3. To what extent organizational policy influence sustainability of social entrepreneurship projects in Nairobi County?
4. How does the management capacity influence sustainability of social enterprises in Nairobi County?

1.6 Significance of the study

Social entrepreneurship is strategic in alleviating global poverty challenge. The study is expected to have different benefits. First, the researcher believes that the findings will have great contribution to make aware the stakeholders in health and sanitation regarding the factors affecting sustainability of social entrepreneurship project. Second, as special case the research could also provide the social entrepreneurs with the opportunities and challenges in social

entrepreneurship in Kenya. Third, the study is also believed to provide the bench mark for forthcoming interested researcher in the same or related topic in Nairobi or at different area. Fourth, the policy makers at national or regional level are expected to draw some lessons related to social entrepreneurship in projects in Kenya. Finally, besides to give a good understanding about the general activity of sustainability of social entrepreneurship projects to the private, NGOs, and the community in general; the result of this study will add something new to existing body of knowledge on the subject at current literature.

1.7 Limitation of the study

Due to traffic jam within Nairobi County the researcher took more time than anticipated to collect data. The researcher faced time constraint since the study was carried out within short time frame. To overcome time and geographical limitation the researcher hired data collection assistants to help during data collection. Availability of financial resources was limiting the study since the researcher was self-sponsored therefore the researcher come up budget for the project to its accomplishment. There was neither assurance that the respondents will return all the questionnaires duly completed, nor guarantee that the interviewers will respond to all the questions put forward to them comprehensively. The researcher explained the objective of the research to the respondent to ensure they fully participate and respond to the questionnaire.

1.8 Delimitation of the study

There are different factors that influence sustainability of social entrepreneurship projects in Kenya but this study is delimited to four general factors, namely: the demand for social projects, project returns, organizational policy and management capacity of social enterprises. This study will be limited to IkoToilet projects within Nairobi County.

1.9 Basic Assumptions of the study

The researcher assumed that the respondents would be available and willing to give the information in truth and honesty.

1.10 Definition of significant terms used in the study

Social entrepreneurship projects

Social entrepreneurship projects are businesses that trade to tackle social problems, improve communities, people's life chances, or the environment.

Demand

Demand is described as willingness of community member to spend or incur cost to meet a social need.

Financial Returns

The gain or loss on a social entrepreneurship project over a specified period, expressed as a percentage increase over the initial investment cost.

Organizational policy

An organizational policy describes the organization's position on a particular aspect of compliance with regulations, standards, and guidelines.

Management capacity

The ability of the leaders to direct, control, lead and manage employee to effectively meet the goals of the Iko toilet projects.

Social entrepreneurship

A social entrepreneurship identifies and solves social problems on a large scale. Just as business entrepreneurship create and transform whole industries, social entrepreneurs act as the change agents for society, seizing opportunities others miss in order to improve systems, invent and disseminate new approaches and advance sustainable solutions that create social value.

1.11 Organization of the study

This study consists of Five major chapters. Chapter One discusses the background of the study, statement of the problem, research objective, significance of the study, limitation of the study and scope of the study. Chapter Two reviews literature on social entrepreneurship, Demand and social entrepreneurship, financial returns and social entrepreneurship, organization policy and social entrepreneurship, management capacity and social entrepreneurship, theoretical framework, conceptual framework, research gap and summary of the chapter. Chapter Three discusses how the research was conducted and it includes, target population, sampling technique and sample size, research instrument and data collection, data analysis and ethical consideration. Chapter Four presents data analysis, presentation and interpretation in relation to the topic studied. Chapter Five consist summary of findings, discussion, conclusions, recommendations and suggestions for further study. This will be followed by references and appendices sections.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter consist review of literature closely related to the factors affecting sustainability of social entrepreneurship projects. It includes analysis of past studies on social entrepreneurship, critical review of factors that affect social entrepreneurship, which includes; demand, financial returns, organizational policy and management capacity. The chapter also covers theoretical framework, conceptual framework, research gaps and summary of the chapter.

2.2 Social Entrepreneurship Projects

The concept of entrepreneurship has evolved over time and is often used to mean or emphasize different features (Susan, Committe, & Public, 2012). French economist Jean-Baptiste Say, who in the early 19th century described the entrepreneur as one who “shifts economic resources out of an area of lower and into an area of higher productivity and greater yield,” thereby expanding the literal translation from the French, “one who undertakes,” to encompass the concept of value creation (Dees, 2001). Business can have a positive impact on society in a wider range of fields which leads to the application of the term ‘social enterprise’ to a much wider range of businesses with a fully commercial orientation. According to William & Emily, (2014) this has made differentiation between social enterprise and mainstream enterprise rather difficult. For example, Safaricom and the M-Pesa mobile money product is sometimes cited as an example of social enterprise. Given the assumptions of the private sector development approach, the term starts to lose explanatory power. The situation has been further complicated by the adoption and usage of various other related terms: social business, impact enterprise, inclusive business, sustainable business, social purpose business, which can be hard to distinguish from each other.

People may mean different things when referring to social entrepreneurship and it is not easy to agree on a clear definition. To understand what differentiates the two sets of entrepreneurs from one another, it is important to dispel the notion that the difference can be ascribed simply to motivation, with entrepreneurs spurred on by money and social entrepreneurs driven by altruism. The truth is that entrepreneurs are rarely motivated by the prospect of financial gain, because the

odds of making lots of money are clearly stacked against them. Instead, both the entrepreneur and the social entrepreneur are strongly motivated by the opportunity they identify, pursuing that vision relentlessly, and deriving considerable psychic reward from the process of realizing their ideas. Regardless of whether they operate within a market or a not-for-profit context, most entrepreneurs are never fully compensated for the time, risk, effort, and capital that they pour into their venture (Martin & Osberg, 2007).

The social entrepreneur, however, neither anticipates nor organizes to create substantial financial profit for his or her investors. Instead, the social entrepreneur aims for value in the form of large-scale, transformational benefit that accrues either to a significant segment of society or to society at large. Unlike the entrepreneurial value proposition that assumes a market that can pay for the innovation, and may even provide substantial upside for investors, the social entrepreneur's value proposition targets an underserved, neglected, or highly disadvantaged population that lacks the financial means or political clout to achieve the transformative benefit on its own. Ventures created by social entrepreneurs can certainly generate income, but what distinguishes social entrepreneurship is the primacy of social benefit, or the mission-related impact (Dees, 2001). No matter whether they adopt a for-profit or a not-for-profit legal form, social enterprise organization are unique in that they involve a "hierarchical ordering of social and economic value" whereby social value takes precedence over the generation of economic rents (Dacin, Dacin, & Matear, 2010).

Social entrepreneurship has three components: one is to identify a stable but inherently unjust equilibrium that causes the exclusion, marginalization, or suffering of a segment of humanity that lacks the financial means or political clout to achieve any transformative benefit on its own. The social entrepreneurship also identifies an opportunity in this unjust equilibrium, developing a social value proposition and bringing to bear inspiration, creativity, direct action, courage, and fortitude, thereby challenging the stable state's hegemony and forging a new, stable equilibrium that releases trapped potential or alleviates the suffering of the targeted group, and through imitation and the creation of a stable ecosystem around the new equilibrium ensuring a better future for the targeted group and even society at large (Roger & Osberg, 2007).

An increasing number of newly created organizations identify themselves as Social enterprise organizations (Weerawardena & Mort, 2006). Social entrepreneurship requires creative, fortitude and persistence altruistic innovation that engineer large-scale systemic social change. Social entrepreneur has a very special trait that absolutely must change an important pattern across his/her whole society. Exceedingly few people have this driving motivation. The social entrepreneur literally cannot stop until he or she has changed the whole society unlike many managers who relax when they solve the problem of only their company or institution and most professionals are happy when they satisfy a client (Sheil & Bahk, 2010). Social entrepreneurial organizations emphasize the global nature of social entrepreneurship (Zahra, Rawhouser, Bhawe, & Hayton, 2008). It's important also to acknowledge the importance of global forces in the emergence and the development of social enterprises because they are embedded in a set of both global and local forces, the influence of local forces should not be overlooked (Dacin, Ventresca, & Beal, 1999). Local influence should not be neglected given that most social enterprises often aim to address locally situated social needs.

Social entrepreneurs provide essential elements that cultivate life skills that are needed to ensure lifelong learning such as creativity, critical thinking, and collaboration. Social entrepreneurship leads to increased employability, self-sufficiency, and solution to social problems. Many social entrepreneurs report that the most successful component of their solution lies outside Information Communication Technology (ICT). Participatory and human centered design approaches have proven valuable to the design of community social entrepreneurial initiatives. Social entrepreneurs recognize that multidimensional solutions are essential for solving the social problems they are tackling, and that providing technology alone will not ensure that it is adapted, or that it will lead to behavior change. The success of social entrepreneurial innovation is in the strength of the ground relationships, creativity that applies to meaningfully fulfilling the needs of each of their stakeholders, and in a patient approach to iterating until their solutions are fully adapted (Ashoka, 2014).

2.3 Demand for social entrepreneurship services and Sustainability of Social Entrepreneurship Projects

Social entrepreneurs endeavor to create social value through innovative, entrepreneurial business models. The potential market for these entrepreneurs is huge because of the wide range of social needs that remain unsatisfied by existing markets and institutions. Social entrepreneurs often create tremendous value when they cater to very basic humanitarian needs; for example, by providing medicines or food, which can be a matter of life or death for those who receive them (Christian, Johanna, Julie, & Tina, 2010). As Margolis & Walsh, (2003) point out: “Manifest human misery and undeniable corporate ingenuity should remind us that our central challenge may lie in blending the two.” United Nations Secretary-General Kofi Annan, in his address to the World Economic Forum on January 31, 1999, called on global business leaders to embrace nine shared values and principles in the areas of human rights, labor standards and environmental practices. A Global Compact network was formed –consisting of several hundred companies, dozens of NGOs, major international labor federations, and several UN agencies– to collaborate on creating a more stable, equitable and inclusive global market by making the nine principles an integral part of business activities everywhere (Georg & David, 2003).

The number of people living in extreme poverty has been reduced by 700 million between 1990 and 2014. The Millennium Development Goals (MDGs) brought together governments, the international community, civil society and the private sector to achieve concrete goals for development and poverty eradication. Much has been accomplished through the concerted and focused efforts of all, saving and improving the lives of many people, but the agenda remains unfinished (United Nation, 2014). There is so much human need that remains unsatisfied implies the existence of significant hurdles for established organizations to see these needs as potential markets. Given the problems many corporations face in their established businesses, the notion of the slumbering “fortune at the bottom of the pyramid” (Prahalad & Hammond, 2002), which sees a potential market in the aggregate purchasing power of the 4 billion individuals who live primarily in developing countries and whose annual per capita income falls below \$1,500 (PPP), remains largely an abstract concept.

There is growing attention paid to social entrepreneurship on a global scale which can be explained by several mutually reinforcing economic, social, and political changes in recent decennia. Persisting problems call for innovative approaches (i.e. demand side), and developments that increase the chances for those problems to be solved (i.e. supply side) (Alex, 2006)

Limited resources in providing basic services by government are a great opportunity for social entrepreneurs to come up with innovation that bridges the gap. South Asian governments spend less than 3% of their annual GDP on public health programs while high-quality health care is prohibitively expensive for the vast majority of South Asia's one billion low income populations and leaves them vulnerable to medical catastrophes and resulting financial indebtedness. Lack of proper health care has prevented millions from escaping poverty. Naya Jeevan partners with multinational corporations to cascade its health insurance plan up and down their supply chains targeting low-income workers making less than USD 6 per day. This target demographic includes drivers, nannies, cooks, waiters, security guards, and factory employees, who can be insured at USD 2.50 per month per adult with a yearly coverage limit of approximately USD 1,780. Naya Jeevan embeds the core health insurance plan in a package of high-touch value added services for clients, including annual medical checks, preventative care workshops, and 24-hour phone access to their "family physician" for medical consultation or claims assistance (Morgan, 2010). Some social enterprises have transformed conventional practice in a particular industry, but it can take 10–15 years to reach that level of impact.

Demand for social entrepreneurship can be inspired by the opportunity and in possession of a creative solution. According to Roger & Osberg, (2007) Steve Jobs and Wozniak didn't campaign against mainframes or encourage users to rise up and overthrow the information and technology department; they invented a personal computer that allowed users to free themselves from the mainframe. Moore didn't publish a book telling mothers how to get more done in less time; she developed the Snuggly, a frameless front- or backpack that enables parents to carry their babies and still have both hands free. Social entrepreneurs do have to influence others to buy into their ideas and their innovations. Presently, 42% of South Africa's youth between the ages of 19 and 24 are unemployed. Chronic unemployment generates numerous other social ills, including crime and social alienation. Indalo seeks to create employment for South Africa's talented youth

while, at the same time, bringing their unique products to the international market and creating industry-wide impact. The project brings together top Western designers with local craft producers to design beautiful, highly marketable interior home and office products. Indalo couples this design expertise with a professional marketing agency to sell the products, ensuring the best return for individual craft producers in both opportunities and income (Kersley & Sullivan, 2012)

Back in the early 1990s, Kyle Zimmer noticed an almost complete absence of new books in classrooms and children's centers. Millions of poor children in developed and developing countries spend hours every day in under-funded and under-resourced classrooms, with no access to books, preventing them from achieving their literacy potential and greatly reducing the overall quality of their education. By aggregating demand and employing creative strategies, she created a network of tens of thousands of schools and community organizations serving low-income children across the USA and Canada, and acts as their broker with the publishing industry. First Book provides deep discounts for the highest-quality books: The average book price on the First Book Market place is USD 2 (including shipping). Recipient programs enjoy a wide selection at affordable prices, publishers have access for the first time to the low end of the market, and First Book takes a small margin to expand its impact. First Book has distributed 90 million new books and is now expanding internationally and into digital resources (Kersley & Sullivan, 2012).

Demand for social entrepreneurship institutions is easily realized where the innovation fill the void by providing structures that people trust to support their efforts to gain control over their fates and lives. This helps to transform those in need from mere receivers to members of society who are capable of making contributions themselves, thereby creating a positive feedback cycle of development. According to Christian, Johanna, Julie, & M. Tina, (2010) one such organization in Egypt is Sekem. Its success continue to have an increasingly strong impact on the entire region to an extent high-level delegates from neighboring countries are already asking Sekem to implement this organizational model in their countries as well. As a social enterprise in Egypt, Sekem is considered a leading example of how to create a stable and healthy society. Sekem has grown from the vision of a single individual to a multi-business firm combining economic, social, and cultural value creation with significant impact on Egyptian society. In

collaboration with the Ministry of Agriculture, Sekem deployed a new system of plant protection in cotton, which led to a ban on crop dusting throughout Egypt. By 2000, according to UN and FAO reports, pesticide use in Egyptian cotton fields had fallen by over 90%, while prior to the ban 35,000 tons of chemical pesticides were sprayed yearly (United Nation, 2014).

2.4 Financial returns and Sustainability Social Entrepreneurship Projects

In a world which there is need for fiscal consolidation is increasingly limiting government resources to tackle global issues, Social entrepreneurial solutions to global problems seem to be in higher demand than ever before. In fact, governments are also increasingly turning to social entrepreneurs as they balance their need to cut spending with the need to create quality jobs and growth in the areas that need it most. Traditional philanthropy has focused too much on donor satisfaction and not enough on producing measurable results (Thomas & Stephanie, 2003). Today, more investors and entrepreneurs than ever are proactively investing their capital in solutions designed to generate a positive social or environmental impact, while also having the potential for some financial return. Although exact definitions of impact investments may vary, social entrepreneurship investments are made with the primary intention of creating a measurable social impact, with the potential for some financial upside. In short, impact investments place capital in businesses and other vehicles that are designed to generate a tangible social impact as well as a financial return (Kersley & Sullivan, 2012).

With this background, and as more investors become aware of the growing opportunities to invest for impact, the case for scale becomes even stronger. In fact, the Global Impact Investing Network, a non-profit group, expects the impact investment market to grow to USD 500 billion by 2014, representing an average annual growth rate of nearly 60% since 2009. Still, at USD 500 billion, the impact investment market would still amount to only about 1% of global equity market capitalization (Kersley & Sullivan, 2012). Impact investing is certainly not without risk, particularly when investing globally. Opportunities to invest for impact are available at all different levels of risk and a growing number of specialized consultants can help investors find the right mix of risk, return, and social impact. Investing for impact implies each dollar the investor places into an active investment simultaneously generates financial return and social return. But like financial return, social return is not guaranteed. From initial investment to

eventual impact requires a chain of consequences that may or may not happen (Clark & Emerson, 2011).

When thinking about measuring impact, most for profits start by reporting the outputs of their business. These are indicators and metrics generated as a result of their operations. All economic value creation is inherently social in the sense that actions that create economic value also improve society's welfare through a better allocation of resources. Some may argue that economic value is narrower than social value and only applies to benefits that can be measured monetarily, while social value includes intangible benefits that defy measurement. An investment in a venture selling agricultural technology, like an irrigation pump, to smallholder farmers; typical business outputs could include sales volume, cost of goods sold, sales cycle time, and margin per pump, as well as overall company financial metrics, like net income. But which of these indicators help demonstrate the story of social impact? It turns out you can sell a pump to many new customers, but if these pumps do not help the farmers become more efficient or effective, it is unlikely their income will increase so they can start to pull themselves out of poverty. Clearly, it is important to consider social outcomes as well as business metrics and to understand that these are not competing metrics, but that performance includes multiple social, environmental, and economic components. In our irrigation pump example, relevant social outcomes might include changes in the end users' income level, or in their family's health or education levels (Stuart & Prahalad, 2012).

A number of institutions currently use a variety of financial ratios and norms to assess and compare the financial health and performance (National Treasury MFMA, 2014). The Ratio indicates the collection rate; i.e. level of payments .It measures increases or decreases in Debtors relative to annual billed revenue. Assessing the Collection Ratio will provide an indication of the performance against a number of areas. If the ratio is below the norm this is an indication that revenue collection of the municipality requires urgent attention and corrective measures should be implemented. The results from this ratio should be viewed along with results from the age analysis and net debtor's day's ratio. Cash flow management is vital to the health of your business. Most businesses can survive several periods of making a loss, but they can only run out of cash once. The importance of cash flow is particularly pertinent at times when access to cash is difficult and expensive. A credit crunch creates extreme forms of

both of these problems. When the 'real economy' slips into recession, businesses face the additional risk of customers running into financial difficulty and becoming unable to pay invoices – which, allied to a scarcity of cash from non-operational sources such as bank loans, can push a company over the edge (National Treasury MFMA, 2014). Without a customer, there will be no cash inflow to manage. Make sure that your business is advertising effectively and making it easy for the customer to place an order. Use accessible, up-to-date catalogues, displays, price lists, proposals or quotations to keep your customer informed. Provide ways to bypass the postal service. Accept orders over the Internet, by telephone, or via fax. Make the ordering process quick, precise and easy (Chartered Institute of Management, 2009)

2.5 Organizational Policy and Sustainability of Social Entrepreneurship Projects

The legal form of the organization is decided by the juristic corporate system of the country where social enterprises exist. Social enterprises have specific strategies in choosing the type of organization that is suitable for implementing its social business. Usually a suitable organizational structure will be chosen, on the basis of the content and the scale of the social business of each enterprise (Tanimoto & Kanji, 2008). Governments and donors may want to support social enterprise using a range of instruments: regulation, grant subsidy, technical assistance, subsidized access to finance, tax breaks and others. So, as a matter of public or donor policy, it is necessary to establish objective eligibility criteria for such support, based on a clear definition (William & Emily, 2014). Members of the public may also want to know what it means when they buy goods and services from a social enterprise – just as they want to know what fair trade really means or whether products have been ethically produced.

Communities and societies need to provide enabling structures and a fair distribution of limited resources. This allows individuals to act in their own best interests but also enables the collective to sustain and improve structures and resources for themselves and everyone else. The Natural Step, a non-profit, international organization with a mission to accelerate global sustainability, offers the following as one of the conditions for social entrepreneurship. In a sustainable society resources are used fairly and efficiently in order to meet basic human needs globally. The drive for economic development comes from communities and societies that seek responsible

allocation of resources, protection of the rights of individuals, trusted institutions, and means of risk sharing for building entrepreneurial initiatives through legal, communication, and market structures that are efficient and fair (Hibert, Hoggs, & Quinn, 2002). In a sustainable society resources are used fairly and efficiently in order to meet basic human needs globally. The drive for economic development comes from communities and societies that seek responsible allocation of resources, protection of the rights of individuals, trusted institutions, and means of risk sharing for building entrepreneurial initiatives through legal, communication, and market structures that are efficient and fair (Hibert, Hoggs, & Quinn, 2002). In addition, society plays an important role in providing structures that are capable of satisfying the basic needs of its members. In developed societies, social security and welfare systems provide this structure, whereas the governments of developing countries often do not meet the basic human survival needs of even the present generation, not to mention future generations.

Substantial evidence suggests that, as initiatives face the challenges of expanding their impact and sustaining their initiatives, organizational and institutional features are important factors (Krishna, Norman, & Milton, 1997). Usually a suitable organizational structure will be chosen, on the basis of the content and the scale of the social business of each enterprise (Tanimoto, 2006). The legal form of the organization is decided by the juristic corporate system of the country where social enterprises exist.

2.6 Management Capacity and Sustainability of Social Entrepreneurship

Most leadership theorists believe that the skills critical for effective leadership, including the capacity to understand and interact with others, are developed most deeply in adolescence and young adulthood (Mohamed & Wendy, 2001). Ethical leadership is characterized by trustworthy leaders, who serve as ethical role models and enforce clear standards for ethical behavior among followers, and also conduct their personal life in an ethical manner. Ethical leaders also have the best interest of employees in mind and listen to what they have to say. Transformational leaders inspire followers with their vision and stimulate them to challenge themselves and their way of thinking, Leadership in Social Enterprise: How to Manage Yourself and the Team 5 while uniting them around a common vision and core values. Empowering leadership includes aspects such as encouraging independent action, self-development of the employee and mutually agreed

performance goals, and is key to unleashing their followers' potential, engagement and creativity.

Most entrepreneurs tend to be transformational leaders, providing vision and inspiration. If they team up with a strong manager, they form a powerful leadership team. What often separates a social entrepreneur that has been able to scale and grow from one that has not, is the ability to recognize the weakness on the transactional side and leave it to those that are better at it? The important managerial issues in such organizational strategies are to build a government system, and an appropriate, accountable, management system to allocate resources, and to distribute benefits, as the whole group (Tanimoto & Kanji, 2008).

Engaging in personal/leadership development seminars help support social entrepreneurship projects exercises and practices. Coaching is a classical and effective way to get personal feedback and tailored advice. Senior leaders can take great advantage of regular professional coaching to uncover remaining blind spots after years of successful practice, or identify the need to change previously suitable strategies or attitudes (Dacin, Ventresca, & Beal, 1999). Such coaching sessions, however, must not be (mis)understood as the main or only time to dedicate to personal development, but merely as interim reflection points and as a source of new impulses along your self-guided trail. Peer-coaching can also be a valuable approach to get free advice from those who know your situation best: other social entrepreneurs or leaders with similar challenges. Ideally, there should be regular meetings among a more or less fixed group of leaders.

Personal retreats for reflection can be an important tool and should be just as natural as annual team retreat. It is important for a leader to have time and go through diaries or look back at goals achievements and unexpected events that have happened during the year. Mindfulness practice can help you to develop calmness and clarity of mind, and real presence in the moment. An increased awareness of both complex outer realities and your true inner voice will serve as a basis for great leadership of yourself and others. Much of the literature on leadership focuses primarily on individuals and their personal skills or attributes (Gardner, 1995); certainly in Western experience, individuals have made major contributions to entrepreneurial ventures. On the other hand, in some contexts, leadership groups may be more important than individuals, and focusing primarily on individuals may obscure essential aspects of the initiative (Thake & Zadek,

1997). Therefore leadership whether group or individual is important in determining the success of social entrepreneurship projects

In many cases, individuals have experiences and skills that enable bridging capacity with very diverse stakeholders; in others, the leadership is comprised of a team that possesses the necessary skills and resources. We rated the leadership “high” when it could understand and work effectively with all of the stakeholders that are central to the organization’s strategy; “moderate” if it had the skills to work with most key stakeholders; and “low” if it was ignorant of or at odds with stakeholders critical to its success. While this aspect of leadership emerged from our examination of the cases, it is consistent with the challenges posed by settings in which success turns to effective dealing with many different constituencies (Uvin, Pankaj, & David, 2000)

2.7 Theoretical framework

Positive Theory of Social Entrepreneurship suggests that the greatest success for a social entrepreneur is to tackle an area of positive externality in such a way that the externality is internalized for the benefit of society and the work of the social entrepreneur is no longer necessary. Social entrepreneurs may get emotionally attached to their organizations and risk focusing on sustaining the organization more than solving the problems of society (Elkington & Hartigan, 2008). Yet, true social entrepreneurs should invite competition, not defend from it, since replication of the innovative solutions will increase the value created to society.

Social entrepreneurship is an entrepreneurial activity with an embedded social purpose (Austin, Stevenson, & Wei-Skillern, 2006). Some of the most striking social entrepreneurship innovations originate from developing countries and involve the deployment of new business models that address basic human needs (Seelos & Mair, 2005). Despite the increasing academic interest in social entrepreneurship, the management field still lacks a good conceptual understanding of the economic role and logic of action of social entrepreneurship. The concept of social entrepreneurship has thus become a large tent (Martin & Osberg, 2007) where many different activities are finding a home under a broad umbrella of “activities and processes to enhance social wealth” (Zahra, Rawhouser, Bhawe, Neubaum, & Hayton, 2008) or “entrepreneurship with a social purpose” (Austin, Stevenson, & Wei-Skillern, 2006). As a consequence, the

concept of social entrepreneurship is poorly defined and its boundaries with other fields of study remain fuzzy (Mair & Marti, 2006).

Motivation of social entrepreneurs is important factor in defining theory of social entrepreneurship. Social entrepreneurs seek opportunities for value creation without regard for the potential for value appropriation. This focus on value creation has important implications on how social entrepreneurs act when compared to other economic actors that are focused on value appropriation. The theory of social entrepreneurship suggests that the organization is the central unit of analysis because it is the locus of appropriation of rents through residual control rights over resources (Grossman & Hart, 1986). The motivation of social entrepreneurs is not value appropriation but rather value creation, and then a corollary is that the organizations may not be the most important unit of analysis for social entrepreneurship. Sustainable advantages are defined at the level of the firm, which is the unit of accrual of appropriated value. In contrast, sustainable solutions are defined at the level of the system, which is the unit of accrual of the created value. Thus, a prediction from the theory is that the central unit of analysis for social entrepreneurship research may be the solution and its underlying business model, not the organization.

The phenomenon of social entrepreneurship challenges our assumptions about human behavior and economic action. It also challenges our beliefs about the role of entrepreneurship in society. Social entrepreneurship is a complementary economic approach that is based on value creation and operates by its own rules and logic. Yet, it is an approach that seems able to address some of the most pressing problems in modern society.

2.8 Conceptual framework

This section outlines the independent, intervening and dependent variables.

Independent variables

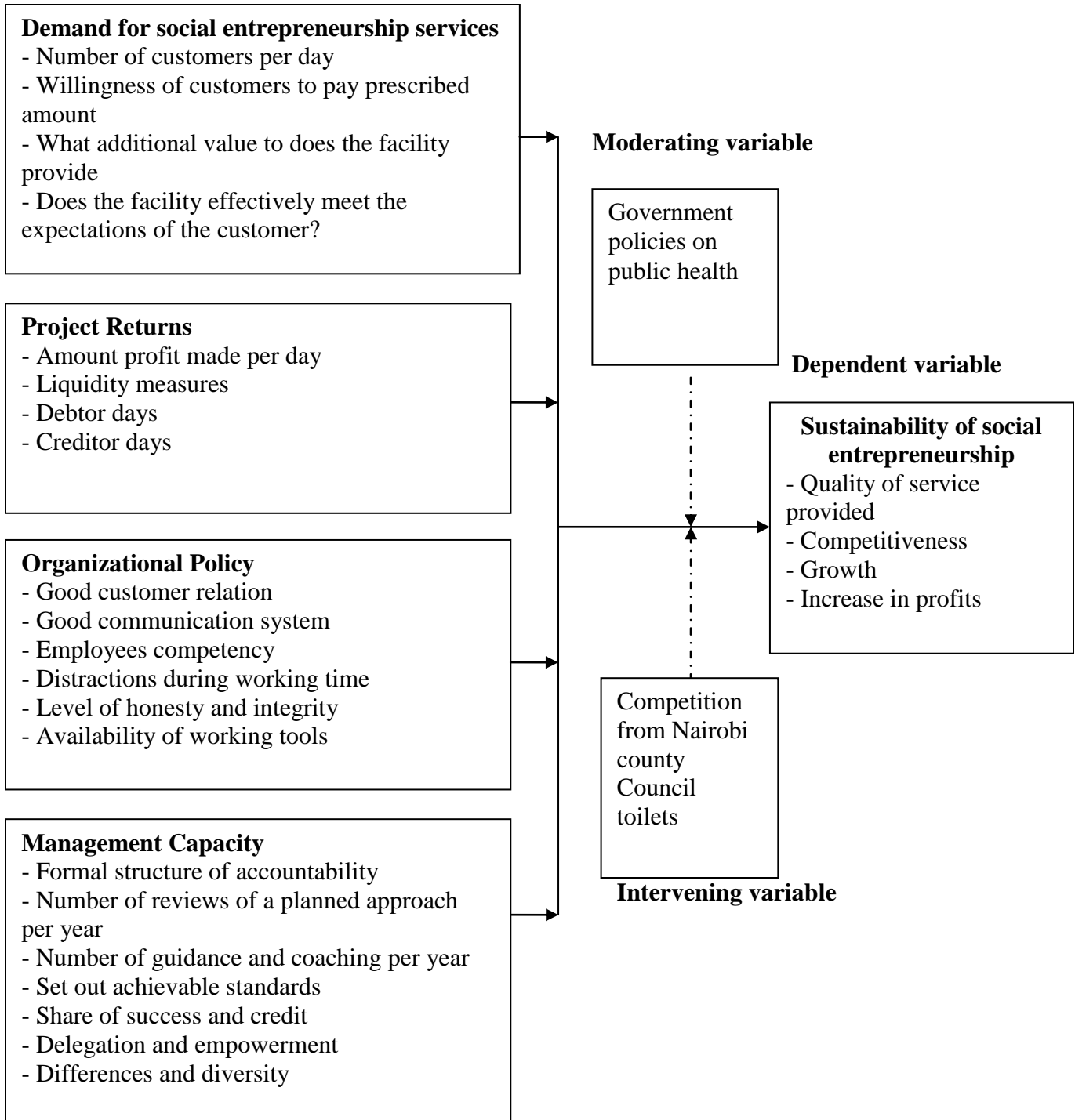


Figure 1: Conceptual framework

Based on the review of related literature the researcher has developed the conceptual framework for the purpose of analysis. Sustainability of social entrepreneurship is determined by demand, project returns, organizational policy and management capacity. The main focus and scope of this study is summarized on the conceptual framework; figure 1.

2.9 Research knowledge gap

Table 2.1 Research Gap knowledge table

Variable	Author and the Year	Findings	Knowledge gap
Effective Management of Social Enterprise	David Rockefeller Center for Latin American Studies, 2006	Successful social and business organizations achieve superior social performance. Key practices for businesses creating social value activities as a part of the social entrepreneurship overall operations.	The author does not cover about sustainability of social entrepreneurship projects
How to Change the World: Social Entrepreneurs and the Power of New Ideas	David Bornstein Oxford University Press, 2003	Social entrepreneurs are to bring about social change. They are the driven, creative individuals who question the status quo, exploit new opportunities, refuse to give up and remake the world for the better.	The study focus on the social entrepreneur skills and character
Social Entrepreneurship: A Modern Approach to Social Value Creation	Arthur C. Brooks Prentice Hall, 2008	This text brings together the established pedagogy of entrepreneurship with cutting edge nonprofit and public management tools.	The study focuses more on the value creation of social entrepreneurship and not more of sustainability.
Strategic Tools for Social Entrepreneurs: Enhancing the	J. Gregory Dees, Jed Emerson, and Peter	This practical and easy-to-use book is filled with examples, exercises, checklists and action steps that bring the concepts, frameworks and tools to life. Detailed	The authors provide a full set of practical tools for putting the lessons of

Performance of Your Enterprising Nonprofit	Economy John Wiley & Sons, 2000	explanations of all the tools and techniques help personalize and apply them to any nonprofit organization—making it stronger, healthier and better able to serve the needs of communities.	business entrepreneurship to work in a nonprofit organization.
The Power of Unreasonable People: How Social Entrepreneurs Create Markets That Change the World	J. Elkington, P. Hartigan Harvard Business Press, 2008	A growing group of entrepreneurs around the world develop and operate new ventures that prioritize social and environmental returns. Innovative, resourceful, practical, and opportunistic, these individuals are also unreasonable, in that they refuse to follow conventional business or social development models and in the process are coming up with new ways to combine markets and meaning.	The book describes how entrepreneurs working at the fringes of the current dysfunctional system provide clues to tomorrow's revolutionary business models.
Social Entrepreneurship: New Models of Sustainable Change	Alex Nicholls Oxford University Press, 2006	Social Entrepreneurship offers, for the first time, a wide- ranging, internationally-focused selection of cutting-edge work from leading academics, policy makers, and practitioners.	Together the authors seek to clarify some of the ambiguity around sustainable change in a range of social entrepreneurship projects, and establish a clear set of frameworks with which to understand it.

2.10 Summary of the chapter

The concept of entrepreneurship has evolved over time and is often used to mean or emphasize different features. Social entrepreneurial culture is a desirable means of achieving our end i.e. social and economic development. Social entrepreneurs are attempting to create alternative financial services and models of funding social ventures. Several factors influence sustainability of social entrepreneurship projects, this includes demand, financial returns, organizational policies and management capacity. Social entrepreneurship leaders will exemplify desire to satisfy social need. Several researchers' have been done to elaborate the more Social entrepreneurship projects but there exist a knowledge gap on sustainability of social entrepreneurship projects in Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology used in this study. It covers the research design, target population, sampling technique, research instrument, validity and reliability of data collection tools, data analysis technique and ethical consideration.

3.2 Research Design

The research design is a general plan of how one goes about answering the research question (Saunders, Lewis, & Thornhill, 2007). This study adopted case descriptive where the researcher studied IKO Toilets projects situation to draw a conclusion o social entrepreneurship projects. According to Gill & Johnson, (1997) case study is an analysis of a situation as a basis for drawing conclusions in a similar situation. This study describes how the independent variables influence sustainability of social entrepreneurship projects. Case descriptive study involves data collection and analysis in order to describe a phenomenon in its current condition. The researcher will be able to obtain current information from the respondents hence coming up with accurate and deeper findings. According to Mugenda & Mugenda (2003), descriptive research aim at gathering data without any manipulation of the research context and it's non-intrusive and dealt with naturally occurring phenomenon where the research has no control over variables. The researcher will undertake in-depth study of the IkoToilet projects within the Nairobi County to get appropriate information on the sustainability of social entrepreneurship projects the researcher will select managers, cleaners, cashiers and the social entrepreneur respondents.

3.3 Target Population

Population can be defined as an entire set of relevant unit of analysis or data (Patton, & Michael, 1990). This study targeted to collect data from 57 respondents whom include; the management team, the cashiers, cleaners, and the social entrepreneurs working in the IkoToilet projects within Nairobi County. The IkoToilet projects within Nairobi include; City Square (Accra road), Moktar Daddah Street, Uhuru Park, Menelik Road, National Archive, Aga khan walk, Langata Road, Gitanga road (Kawangware), Mathare (Kosovo), Holy Family Basilica bookshop and City Park.

3.4 Sampling technique and sample size

Sampling is the process of selecting a number of individuals or objects from a population such that the selected group contains elements representative of the characteristics found in the entire group (Orodho & Kombo, 2002). This study used both probability and non- probability sampling techniques to create a sampling frame. A census was conducted to the target population working in the IkoToilet facilities. Each facility has at least 5 workers whom include Cleaners (ladies and gents), Cashier, and Manager. There are 11 facilities in Nairobi County, thus the total population size is 57 persons including 2 social entrepreneurs. The facility Purposive judgmental sampling will be used to reach the two social entrepreneurs and high level managers There are 11 facilities in Nairobi County, thus the total population size is 55 persons.

3.5 Research instrument and Data collection

In this study the researcher used questionnaires and interview schedule as instrument for data collection. These were written forms comprising sets of questions that were used to gather Primary data from the sample population. The researcher also used set of structured question as interview guide to the social entrepreneur and a high level manager. The questionnaires had a set of open and closed ended questions each developed to address research questions. The open ended questions allowed the respondent to complete freedom to express what they considered important hence in-depth information. Secondary data was garnered from documented projects information and records.

The questionnaires were self-administered since they had adequate instructions with simple, easy to apprehend language used. The researcher conducted semi structured interview with the social entrepreneur and high level manager. According to Kothari (2004) data collection is the means the study use to gather the required data or information. The researcher prepared and delivered the questionnaire to the respondents. By use on research assistants data collection was fast tracked. The research assistants also helped guide the respondents. Due to variance in availability of respondents the researcher also used drop off and pick later method of administering questionnaires. Drop off and pick later method result to high response rate and reduce researcher presence bias (Cooper and Schindler (2003).

3.5.1 Pilot Testing

According to Mugenda & Mugenda, (2003) pilot test is a stage where research instruments are administered to a number of individuals in the target population who are not included in the sample size so as to test reliability and validity of the instrument. The researcher tested whether the design of questions was logical, clear and easy to be understood, exhaustive and how long it took to complete the questionnaire. The pre-test allowed the researcher to check on whether the variables collected could easily be processed and analyzed. The pre-testing was carried out in Thika town on a sample consisting of 10% of the respondents i.e. 6 respondents. Any questions found to be interpreted differently during the pre-testing was rephrased so that they could have the same meaning to all respondents. Views given by the respondents during pre-testing was analyzed and used to improve the questionnaires before actual collection of data.

3.5.2 Reliability test

According to Mugenda and Mugenda (2003) reliability refers to the measure of the degree to which the research instrument yields consistent results. In this study Internal consistency reliability was applied to measure different aspects of social entrepreneurship. The Cronbach's coefficient alpha was used to measure internal consistency reliability among a group of items combined to form a single scale and complement each other. The alpha value ranges between 0 and 1, with reliability increasing with increase in value. The Cronbach's coefficient alpha formula is as follows. Where K is constant,

$$CC \text{ alpha} = \left[1 - \frac{\sum (4.046875)}{48.10938} \right] \left[\frac{41}{41 - 1} \right] = 0.938779$$

The reliability test score was 0.938779 this indicates that the data collection tool had high reliability to collect the data.

3.5.3 Validity test

Degree to which result are obtained from the analysis of the data actually represents the phenomenon understudy is referred to as validity (William, et al., 2004). Content validity ensures that the data collected using certain instrument represent specific domain of a concept. To establish content and construct validity in this study the researcher will seek guidance from the supervisor.

3.6 Data analysis

The researcher verified collected questionnaire and examine whether they were dully filled. Researcher performed the data editing, coding, data entry and data cleaning activity in order to check the consistency of the data collected from the respondents by various tools.

The researcher employed both of qualitative and quantitative methods of analysis. The qualitative method of analysis was applied for the data that collected via interview. Quantitative analysis was applied for the data collected through questionnaires. The data was analyzed by using Statistical package for Social Science (SPSS 21); computer software. The researcher used simple descriptive statistics and inferential statistics analysis to interpret the result. This included; frequency distribution, mean, standard deviation and percentages.

To predict how the independent variable affects the dependent variable, the researcher used regression model. Sustainability of social entrepreneurship projects is the dependent variable which was explained by the following independent variables: Demand for social entrepreneurship projects, the financial returns, organizational policies and management capacity. The model was; $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$

Where: Y = Sustainability of social entrepreneurship projects, $\beta_0 = \text{Constant}$

Term; $\beta_0, \beta_1, \beta_2, \beta_3, \beta_4 = \text{Beta}$

Coefficient; $X_1 = \text{Demand}$, $X_2 = \text{Financial returns}$, $X_3 = \text{Organizational policy}$, $X_4 = \text{Management capacity}$

$\epsilon = \text{Error Term}$

3.7 Ethical consideration

The researcher endeavored to obtain an informed consent from the respondents before embarking on collection from the field. The researcher informed and explained the objectives of the research in order to solicit informed consent from the respondents. High level of confidentiality on the information provided by respondents through interview or questionnaires was maintained. The researcher also obtained a letter from university to show he is a student and permitted to conduct the study.

3.8 Operationalization of Variables

The measurement of the various variables in this study was undertaken as shown in the table 3.2

Table 3.1 Operationalization of Variables

Variable	Indicators	Measurement Scale	Data collection method	Data analysis
Independent				
Demand for social entrepreneurship services	Number of customers per day Willingness of customers to pay prescribed amount What additional value to does the facility provide Does the facility effectively meet the expectations of the customer?	Ordinal Ordinal Ordinal Ordinal	Questionnaire/Interview Questionnaire/Interview Questionnaire/Interview Questionnaire/Interview	Frequency, Mean and Standard deviation Frequency, Mean and Standard deviation Frequency, Mean and Standard deviation
Financial Returns	Amount profit made per day Liquidity measures; whether a financial business could find the cash to cater for daily needs Debtor days; how long on average it takes the business to collect the money it is owed. Creditor days; the average number of days a business takes to pay its suppliers.	Ordinal Ordinal Ordinal Ordinal	Questionnaire Questionnaire/Interview Questionnaire/Interview Questionnaire/Interview	Frequency, Mean and Standard deviation Frequency, Mean and Standard deviation Frequency, Mean and Standard deviation Frequency, Mean and Standard deviation
Organization policies	Good customer relation Is there good communication system Are employees competent to handle their duties Are there distractions during working time? What is the organizations level of honesty and integrity Availability of working tools	Ordinal Ordinal Ordinal Ordinal Ordinal Ordinal	Questionnaire/Interview Questionnaire/Interview Questionnaire/Interview Questionnaire/Interview Questionnaire/Interview Questionnaire/Interview	Frequency, Mean and Standard deviation Frequency, Mean and Standard deviation Frequency, Mean and Standard deviation Frequency, Mean and Standard deviation Frequency, Mean and Standard deviation

Management capacity	Is there formal structure of accountability	Ordinal	Questionnaire/Interview	Frequency, Mean and Standard deviation
	Review the work of staff with a planned approach and on regular basis	Ordinal	Questionnaire/Interview	Frequency, Mean and Standard deviation
	Provide guidance and coaching constantly from the leaders	Ordinal	Questionnaire/Interview	Frequency, Mean and Standard deviation
	Are there set out achievable standards	Ordinal	Questionnaire	Frequency, Mean and Standard deviation
	Do leaders share success and credit with team members	Ordinal	Questionnaire	Frequency, Mean and Standard deviation
	Is there power and authority sharing through delegation and empowerment	Ordinal	Questionnaire	Frequency, Mean and Standard deviation
	Do leaders accept and tolerate differences and diversity	Ordinal	Questionnaire/Interview	Frequency, Mean and Standard deviation
Dependent Variable				
Sustainability of social entrepreneurship projects	Quality of service provided Competitiveness in the Market Growth and expansion Increase in profits	Ordinal	Questionnaire	Regression analysis

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the data analysis, findings and the discussion of the study. A census was conducted to all staffs working in the IkoToilet facilities. The data was interpreted as per the research questions. The analysis was done through descriptive and inferential statistics. This includes frequency distribution, mean, standard deviation and percentages.

To predict how the independent variable affects the dependent variable, the researcher used regression model.

4.2 Response Rate

The study targeted 57 respondents from the Iko toilets projects in Nairobi County; 55 questionnaire respondents and 2 interview respondents. Out of 55 issued questionnaires to the respondents, 54 questionnaires were filled and returned. This represents 98.18% of the target sample. The response was adequate for analysis and conforms to Mugenda and Mugenda (2003) stipulation that any response of 50% and above is adequate for analysis. The Social entrepreneur and a senior accountant were interviewed to gather qualitative data.

4.3 Respondents Profile

The respondent profile details included; the gender, the age, education level, Years worked in the project and the professional orientation of the respondent.

4.3.1 Gender of the Respondents

This section presents gender information of the respondents. The results are tabulated in table

Table 4.1: Respondent's gender

Responses	Frequency	Percentage
Female	28	52
Male	26	48
Total	54	100

The study involved both male and female respondents. From Table 4.1, the majority of the respondents were female at 52%, while 48% were male. This implies that both gender has almost equal chances of working in the social entrepreneurship projects.

4.3.2 Age of the Respondents

The study sought to establish the age of the respondents. Table 4.2 shows the age of respondents.

Table 4.2: Age of the respondents

Responses	Frequency	Percentage
Below 24 years	16	30
25-29 years	11	20
30-34 years	9	17
35-39 years	13	24
Above 40 years	5	9
Total	54	100

The IkoToilets project has employed majority of youths constituting 30% who are below 24 years, those between 24 years and 34 were 20% and those between 30- 34 years were 16%. Workers between 35-39 years constituted 24% while those above 40 years were 9%. This implies that the workforce is made of majority of youth. This is a good indication of youth involvement in social entrepreneurship projects.

4.3.3 Education level

This section show the Education level of Respondents

Table 4.3: Education level of Respondents

Education level	Frequency	Percent
Certificate	16	30
Diploma	11	20
Undergraduate	10	18
Post Graduate	8	15
Others	9	17
Total	54	100

The education qualification of IkoToilets projects employee is well distributed with 30% being certificate holders, 17% had other qualification which includes the form four leavers and those with technical qualifications. 20% of the employees had diploma qualifications. While

undergraduate and post graduate constituted 18% and 15% respectively. Only 17% had other qualifications which include form four leavers, 53% of the respondents were had at least diploma qualification which implies the IkoToilet projects employees stand a better chance to create a good understanding thus offer excellent service to the customers.

4.3.4 Years worked in the Iko toilet Project

This section show the number of years the respondents worked in the IkoToilet projects.

Table 4.4: number of years the respondents worked in the IkoToilet projects

Years worked	Frequency	Percent
Less than one	12	22
1-3	11	20
4-7	10	19
8-11	9	17
Over 11	12	22
Total	54	100

The findings indicated that 22% of the employees had worked in the IkoToilet projects for less than one year, 20% had worked for Iko toilet between 1 to 3 years, 19% had worked for Iko toilet between 4 to 7 years, 17% had worked for between 8 to 11 years while 22% had worked for more than 11years. 58% of the respondents had over 4 year stay in the Iko toilet project which implies better working conditions hence consistency in quality of service delivery. This may also imply the management has good employee retention strategy.

4.3.5 Professional Orientation

This section shows the profession orientation of the respondents working in the projects.

Table 4.5: Professional Orientation of project workers

Professional Orientation	Frequency	Percent
Management	9	17
Cleaner/Sanitation	22	41
Cashier	20	37
Others	3	5
Total	54	100

Cleaners and those who maintained sanitation within the facilities formed the majority of employees with 41%. The cashiers were 37%, 17% were in management while 5% were other who included customer care servants and substitute and or stand in staffs.

4.4 Demand for social entrepreneurship services and Sustainability of social entrepreneurship projects

The study sought to establish the extent to which demand for social entrepreneurship services influenced sustainability of the Iko Toilet project, the following is the discussion.

4.4.1 Number of Customers per day

This section presents the findings of the customers served by the Iko toilet projects per day. Table 4.6 shows the number of customers in percentage per day.

Table 4.6: Customers per day

Customers Per day	Frequency	Percent
Below 100	9	17
100-150	17	31
151-200	13	24
Over 200	15	28
Total	54	100

From the findings, 28% of the projects receive more than 200 customers per day, 24% have a range of 151 to 200 customers per day, and 31% indicated they have a range of 100 to 150 customers per day while 175 indicated they receive 17% of customers per day. 52% of respondents indicated that the Iko toilets projects serve per day. In all the facilities additional services including the tissue paper, hand wash soap and water were provided. This would be what mostly attracts many customers to the Iko toilet projects.

4.4.2 Influence of Demand for social entrepreneurship services on Sustainability of Social Entrepreneurship Projects

The study sought to establish the extent to which respondents agreed with the statements on the demand for Iko Toilets project services in a scale of 1 to 5, 1 indicating the lowest while 5 the highest. The following statements were presented to respondents in order to gauge their extent of agreement. The results are tabulated in 4.7.

Table 4.7: Demand on Sustainability of Social Entrepreneurship Projects

Statement	Mean	Std. Dev
The cost of service is affordable	3.07	1.4
The facility is the most preferred in this area	3.2	1.3
The facility is most popular in this area	2.83	1.4
We meet customer expectations	3.2	1.4
Customers are willing to pay prescribed amount	2.87	1.3

The respondents agreed with the statements with means ranging 3.2 to 2.8. Those who agreed that the cost is affordable had a mean of 3.07, and standard deviation of 1.4, those who agreed that the facility is the most preferred in the area had a mean of 3.2 and a variance of 1.3, respondents who agreed that the projects are the most popular in the area, meet customer expectation and that customers are willing to pay prescribed cost had a mean of 2.83, 3.2, 2.87 and a standard deviation of 1.4, 1.4 and 1.3 respectively. On whether the demand for social entrepreneurship services influences the sustainability of social entrepreneurship projects, the response was as shown in the table 4.8.

Table 4.8: Demand for social entrepreneurship services influence the sustainability of social entrepreneurship projects.

Responses	Frequency	Percent
Very great extent	16	30
Great extent	11	20
Moderate extent	8	15
Little extent	14	26
No extent	5	9
Total	54	100

30% responded affirmatively to the very great extent; 20% indicated it influences to a great extent, 15% indicate it influences to moderate extent. Those who were above moderate extent were the majority with a total of 65% while 14% and another 5% indicated it influences to a little extent and no extent respectively. According the social entrepreneur demand for the Iko Toilets project is a natural cause thus becomes a necessity thus its sustainability is paramount and assured along as people will continue to need the service.

4.5 Financial Returns and Sustainability of Social Entrepreneurship Projects

The study further sought the extent to which financial returns influence sustainability of IkoToilets projects. The respondents were asked to state the range of profit made per day. Table 4.10 presents the findings

Table 4.9: What is the range of the profit you make per day?

Profit Per Day	Frequency	Percent
1000-3000	15	28
3001-6000	8	14
6001-9000	17	32
Above 9000	14	26
Total	54	100

The projects that make KShs 6001 to 9000 profit per day were highest with 32% while those that makes KShs 3001-6000 per day were lowest with 14.8%, The projects that makes above KShs 9000 per day were 25.9%. In total the projects that made KShs 6001 per day were 58%. However 28% indicated that they make a range of KShs 1000-3000 per day. This implies that there is good cash flow with 58% of respondent indicating there is a profit of over KShs 6000 per day.

4.5.1 What extent is the IkoToilet facility able to cater for daily expenses

The respondents were asked to state in a scale of 1 to 5 (1 indicating lowest value and 5 highest value) to what extent is the IkoToilet facility able to cater for daily expenses? Table 4:11 presents the findings.

Table 4.10: Project is able to cater for their daily expense

Variable description	Mean	Std. Dev	Response in Percentage				
			1	2	3	4	5
IkoToilet facility able to cater for daily expenses	3.39	1.38	15	11	20	28	26

Those who indicated 4 and 5 were 28% and 26% respectively. 20% indicate 3 while 11% and 15% indicated 2 and 1 respectively. The mean was 3.39 with a standard deviation of 1.38 as shown in table 4.11. This is a strong indicator that the Project is able to comfortably cater for their daily expense.

4.5.2 Debtor and creditor days

When asked how long it takes to collect money owed to the IkoToilet projects, the responses are as indicated in table 4.11.

Table 4.11: Debtor and creditor days

Variable description	Numbers of days in %					
	1-15	16-30	31-45	> 45	Mean	Std. Dev
How long on average it takes for the IkoToilet facility takes to collect the money it is owed?	22	22	28	28	2.61	1.1
How long on IkoToilet facility takes to pay its suppliers?	22	26	32	20	2.5	1.1

From the response 28% of the respondents indicated above 45 days, and another 28% indicated 31-45, 22% indicated 16-30 days while another 22% indicated 1-15 days. The mean day it takes to collect debt owed fall is 2.62 that is 16 -30 days, with a deviation 1.1. When also asked how long it takes to pay its suppliers, 20% indicated above 45, 32% indicated 31-45 days, 26% indicated 16-30 days while 22% indicated 1-15 days. The mean for creditors' day mean was 2.5 thus a range of 16-30 days with a standard deviation of 1.1. This indicates that there is high financial stability in the IkoToilets projects since the debtor days is slightly higher than the creditor days.

4.5.3 Influence of Financial returns on sustainability.

The respondents were asked to state the extent to which financial returns influence sustainability of social entrepreneurship projects. Table 4.12 presents the findings.

Table 4.12: Influence of Financial returns on sustainability of social entrepreneurship projects

Response	Frequency	Percent
Very great extent	20	37
Great extent	34	63
Total	54	100

The entire respondent agreed that the financial returns influence sustainability for social entrepreneurship project, 37% said it influences to a very great extent while 63% indicated to a great extent.

4.6 Organizational policy on Sustainability of Social Entrepreneurship Projects

The researcher sought to find out how the organizational policy influences sustainability of IkoToilets projects. The respondents were asked to indicate the degree to which they agree with statements on influence of organizational policy on sustainability of social entrepreneurship projects the using the scale: Strongly Agree (5); Agree (4); Neutral (3); Disagree (2) and Strongly Disagree (1). Table 4.13 present the findings.

Table 4.13: Influence of Organizational policy on Sustainability of Social Entrepreneurship Projects

Variable Statement	Mean	SD	Response in %				
			5	4	3	2	1
There are good customer relation in the IkoToilet facility	3.04	1.5	26	19	9	26	20
There are good communication among the staff in projects	3.35	1.5	33	22	7	21	17
IkoToilet employees are competent to handle their duties	2.96	1.5	19	30	9	22	20
Distractions within the work structure affect productivity	2.81	1.4	17	39	16	11	17
There are high level of staff honesty and integrity	2.69	1.6	20	13	15	19	33
The working tools are always available	2.89	1.4	15	26	15	22	22

Most respondents agreed with statements, those who said there is good customer relation in the projects had a mean of 3.04 and a standard deviation of 1.5. 26% strongly agreed with statement, 19% indicated agree, 9% indicated Neutral, 26% and 20% indicated disagree and strongly disagree respectively. When asked to indicate if there is good communication, 55%, indicated they agree while 7% were neutral. This had a mean of 3.35 and a standard deviation of 1.5. When asked if the employees within the Iko toilet projects re competent to handle their duties 19% and 30% strongly agreed and agreed respectively. 9% were neutral with 22% and 20% indicating disagree and strongly disagree respectively. The mean was 2.96 and a standard deviation of 1.5. When asked if distractions affect their productivity, 17% and 39% indicated strongly agree and agree respectively, 16% were neutral while 11% and 17% disagreed and 17% strongly disagreed. The mean was 2.81 with a variance of 1.4. Those who indicated little extent were highest with 24.7%, those that indicated very great extent were 18.5%. The Mean was 3.04, with a median of 3 and a standard deviation of 1.4. When asked if there is high level of integrity and honesty among the employees, 20% and 13% strongly agreed and agreed respectively. 15% were neutral while 19% and 33% disagreed and strongly disagreed respectively. This had a mean of 2.69 and a standard deviation of 1.6. This indicates that the level of honesty and integrity among the employees was slightly below average. When asked if the working tools were always available, 15% and 26% strongly agreed and agreed respectively. 16% were neutral while those who disagreed and strongly disagreed were both 22% each. The mean was 2.89 with a standard deviation of 1.4; this indicates that the availability of working tools was slightly below the average.

While the respondents were asked to what extent the organizational policy influences social entrepreneurship projects, the response was as shown in Table 4.14

Table 4.14: Extent to which organizational policy influence sustainability of social entrepreneurship projects

Responses	Frequency	Percent
Very great extent	18	33
Great extent	15	28
Moderate extent	9	17
Little extent	7	13
No extent	5	9
Total	54	100

When asked to state the extent to which organizational policy influence sustainability of social entrepreneurship projects. The response was 33% to very great extent, 28% to great extent, 17% to moderate extent, 13% to little extent and 9% to no extent. 78% of the respondents indicated that the organization policy had the greatest influence on sustainability of social entrepreneurship projects. Good organization policies therefore are the greatest contributor towards sustainability of social entrepreneurship projects.

4.7 Management Capacity and Sustainability of Social Entrepreneurship Projects

The study sought to investigate the influence of management capacity on the social entrepreneurship projects. The following are statements related to management capacity on sustainability of social entrepreneurship projects, were asked requesting the respondent to indicate level of agreement using the scale: Strongly Agree (5); Agree (4); Neutral (3); Disagree (2) and Strongly Disagree (1). The Table 4.15 shows the findings.

Table 4.15: Influence of Management Capacity on Sustainability

Statements	Response in %				
	5	4	3	2	1
There are good formal structure of accountability	41	33	6	11	9
Number of guidance and coaching sessions per year are adequate	41	33	9	11	6
Leaders review the work with a planned approach & on regular basis	44	30	6	13	7
There are power and authority sharing via delegation and empowerment	22	30	15	24	9
Leaders share success and credit with team members	20	17	20	31	11
Management sets out achievable standards and targets	17	19	20	15	30
Leaders accept and tolerate differences and diversity	17	20	22	24	17

41% and 33% of the respondents strongly agreed and agreed respectively there is good formal structure while 6% were neutral, 11% and 9% disagreed and strongly disagreed respectively. When asked whether the number of guidance and coaching sessions were enough, 41% strongly agreed, 33% agreed, 9% were neutral, 11% disagreed, 6% strongly disagreed. On whether the leaders review the work with a planned approach and on regular basis; 44% strongly agreed, 30% agreed, 6% were neutral, 13% disagreed, and 9% strongly disagreed. When asked about power and authority sharing through delegation and empowerment, 22% strongly agreed, 30% agreed, 15% were neutral while 24% and 9% disagreed and strongly disagreed respectively. On whether the leaders share success and credit with other employees; 20% strongly agreed, 17% agreed, 20% were neutral, 31% disagreed while 11% strongly disagreed. On whether the management sets out achievable standards and targets; 17% strongly agreed, 19% agreed, 22% were neutral, 15% disagreed while 30% strongly disagreed. On whether the leaders accept and tolerate differences and diversity; 17% strongly agreed, 20% agreed, 22% were neutral, 24% disagreed while 17% strongly disagreed.

The research sought to establish the extent to which management capacity influence sustainability of social entrepreneurship projects. Table 4.16 presents the findings.

Table 4.16: management capacity influence on sustainability of social entrepreneurship projects

Response	Frequency	Percent
Very great extent	10	19
Great extent	14	26
Moderate extent	13	24
Little extent	11	20
No extent	6	11
Total	54	100

19% indicated that the management capacity influences sustainability of social entrepreneurship projects to a very Great extent, 26% indicated it influences to a great extent, 24% indicate to a moderate, 20% to a little extent while 11% indicated to a no extent it influences. 89% indicated that the management of influence. 69% of the respondents agreed that the management capacity had up to moderate influence to sustainability of social entrepreneurship projects. This places high emphasis the importance of good management of projects to ensure their sustainability.

4.8 Regression Analysis

The researcher conducted a multilinear regression analysis to predict how the independent variable affects the dependent variable: Sustainability of social entrepreneurship projects as the dependent variable explained by the following independent variables: Demand for social entrepreneurship projects, the financial returns, organizational policies and management capacity. The model was as follows;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where: Y = Sustainability of social entrepreneurship projects,

β_0 = Constant

Term; $\beta_0, \beta_1, \beta_2, \beta_3, \beta_4$ = Beta

Coefficient; X_1 = Demand, X_2 = Financial returns, X_3 = Organizational policy, X_4 = Management capacity

ε = Error Term

The results are presented in table 4.17, 4.18 and 4.19.

Table 4.17: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.713 ^a	.71	.371	.488

a. Predictors: (Constant), Quality of service provided , Organizational policy of IkoToilet projects, Financial returns of IkoToilet projects, Demand for of IkoToilet projects, Management capacity of IkoToilet projects

b. Dependent Variable: Competitiveness in the service provision

From the result in the table 4.18, the study presents R-squared. This is a statistical measure of the closeness of the observed data to the fitted regression line. It defines the percentage of the dependent variable variation as explained by a given model. Hence the model indicates that 71% of the changes in the sustainability of social entrepreneurship projects can be attributed to the predictor variables. The implication is that 29% of the changes in the sustainability of social entrepreneurship projects can be attributed to other factors.

Table 4.18: ANOVA Results

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	9.281	5	.656	29.017	.012 ^a
Residual	6.219	48	2.213		
Total	19.500	53			

a. Dependent Variable: Competitiveness in the service provision

b. Predictors: (Constant), Quality of service provided , Organizational policy of IkoToilet projects, Financial returns of IkoToilet projects, Demand for of IkoToilet projects, Management capacity of IkoToilet projects

The probability of 0.012 indicates that the model is significant in predicting the influence of sustainability of social entrepreneurship projects. The critical F- value is 3.622 at 99% level of confidence. Thus with calculated ($=29.017$)> F Critical ($=3.622$); the model generally statistically significant.

Table 4.19: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.392	1.073		3.161	.003
Demand for social entrepreneurship services	.006	.151	.006	.041	.968
Financial returns	.075	.139	.078	.537	.594
Organizational policy	.093	.154	.088	.600	.551
Management capacity	.089	.136	.096	.654	.516

The regression model is derived from the table 4.20 as:

$$Y = 0.392 + 0.006X_1 + 0.075X_2 + 0.093X_3 + 0.089X_4$$

The regression model provided a statistical tool control through which the study established the influence of each predictor variable. Holding all variables at zero will result in a positive

sustainability of social entrepreneurship projects equal to 0.392. In a similar way, reducing all other independent variables to zero a unit change in demand will result in 0.006 increments in positive sustainability of social entrepreneurship projects. The findings indicate 0.093 increments in financial returns when all other variables are reduced to zero. Additionally a unit increase in organization policy while holding all other factors at zero will lead to 0.93 increments in favor of a project. A unit change in management capacity will yield 0.089 increments in sustainability of social entrepreneurship projects while all other predictor variables are held at zero. This means that all independent variables influence the response variable.

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the discussions on key data findings, conclusions drawn and recommendations. These discussions, conclusions and recommendations were focused on the the four objectives of the study. These were: to examine how demand for social entrepreneurship services influence sustainability of social entrepreneurship projects in Nairobi County, how project financial returns influence sustainability of social entrepreneurship projects in Nairobi County, the extent to which organization policies influence sustainability of social entrepreneurship projects in Nairobi County, how management capacity influence sustainability of social entrepreneurship in Nairobi County. The study was carried out at IKO Toiletest projects in Nairobi county.

5.2 Summary of Findings

In this section, summary of findings follow the order of research objectives and data as presented in chapter four. The purpose of this study is to investigate the factors influencing sustainability of social entrepreneurship projects; A case of Iko toilet project Nairobi, Kenya.

5.2.1 Demand for social entrepreneurship services and sustainability of social entrepreneurship projects

The study established that there is good flow of customers with 52% of the Iko Toilets projects receiving over 150 customers per day. All the projects affirmed that they provide additional values to the Customers including the tissue paper, hand wash soap and water. Majority of the respondents agreed that the services provide by the projects were affordable with indication of a mean of 3.07 in a scale of 1 to 5, with one being lowest and 5 the highest. The mean deviation was 1.4, those who agreed that the facility is the most preferred in the area had a mean of 3.2 and a variance of 1.3, respondents who agreed that the projects are the most popular in the area, meet

customer expectation and that customers are willing to pay prescribed cost had a mean of 2.83, 3.2, 2.87 and a standard deviation of 1.4, 1.4 and 1.3 respectively.

On whether the demand for social entrepreneurship services influence the sustainability of social entrepreneurship projects, 30% responded affirmatively to the very great extent; 20% indicated it influences to a great extent, 15% indicate it influences to moderate extent. Those who were above moderate extent were the majority with a total of 65% while 14% and another 5% indicated it influences to a little extent and no extent respectively. Table 4.9 presents the findings.

5.2.2 Financial Returns and sustainability of Social Entrepreneurship Projects

The study further sought the extent to which financial returns influence sustainability of IkoToilets projects. 58% of the projects made a profit of above KShs 6000 per day thus indicating good cash flow, while 28% made a profit of between KShs 1000 to 3000 per day. The study established that the projects are able to cater their daily expenses with a mean of 3.39 and a standard deviation of 1.38. This shows strong indicator that the Project is able to comfortably cater for their daily expense. The mean for creditors' days mean was 2.5 thus a range of 16-30 days with a standard deviation of 1.1. This indicates that there is high financial stability in the IkoToilets projects since the debtor days is slightly higher than the creditor days. Table 4.12 presents the data. The entire respondent agreed that the financial returns influence sustainability for social entrepreneurship project, 37% said it influences to a very great extent while 63% indicated to a great extent.

5.2.3 Organizational policy and Sustainability of Social Entrepreneurship Projects

The researcher sought to find out how the organizational policy influences sustainability of IkoToilets projects. Most respondents agreed that there is good customer relation in the projects with a mean of 3.04 in a scale of 1 to 5, 5 being the highest and 1 the lowest. 62% of the respondents agreed that there is good communication between the leader and the employees. 49% of the respondents agreed that the employees within the Iko toilet projects are competent to handle their duties while 9% were neutral on the issue while 42% of the indicated there are not. The study established there is loss of productivity with distractions in their workplace, 56% of

respondents indicated they are affected by distraction in the work place. 33% of respondents indicated that there is high level of integrity and honesty while 52% indicated contrary. 41% of respondents agreed that there available working tools always while 44% said that the working tools were not available. 61% of respondents agreed that organizational policy influence sustainability of social entrepreneurship projects.

5.2.4 Management Capacity and Sustainability of Social Entrepreneurship Projects

The study sought to investigate the influence of management capacity on the social entrepreneurship projects. 74% of the respondents agreed that there is good formal structure in the social entrepreneurship projects. The study established that there is enough number of guidance and coaching sessions were enough, with 74% agreeing. The study also established that the leaders review the work with a planned approach and on regular basis; 44% strongly agreed. When asked about power and authority sharing through delegation and empowerment, 22% strongly agreed, 30% agreed, 15% were neutral while 24% and 9% disagreed and strongly disagreed respectively. 37% of respondents agreed that the leaders share success and credit with other employees; while 42% disagreed. On whether the management sets out achievable standards and targets; 17% strongly agreed, 19% agreed, 22% were neutral, 15% disagreed while 30% strongly disagreed. On whether the leaders accept and tolerate differences and diversity; 17% strongly agreed, 20% agreed, 22% were neutral, 24% disagreed while 17% strongly disagreed.

The research sought to establish the extent to which management capacity influence sustainability of social entrepreneurship projects. 19% indicated that the management capacity influences sustainability of social entrepreneurship projects to a very Great extent, 26% indicated it influences to a great extent, 24% indicate to a moderate, 20% to a little extent while 11% indicated to a no extent it influences. 89% indicated that the management of influence.

5.3 Discussion Key of Findings

This section of the report discusses in detail the findings and compares them with literature reviewed in chapter two.

5.3.1 Demand for social entrepreneurship services and sustainability of Social entrepreneurship projects

Demand for social entrepreneurship services for social entrepreneurship can be inspired by the opportunity and in possession of a creative solution. According to Christian Et al Social entrepreneurship often creates tremendous value when they cater to very basic humanitarian needs (Christian, Johanna, Julie, & M. Tina, 2010). This agrees with the finding of the study that the basic service provision ensure its sustainability and competitiveness in the market. Provision of additional values draws customers to the projects. This agrees with the finding of the study that the basic service provision ensure its sustainability and competitiveness in the market. Provision of additional values draws customers to the projects. This agrees with the findings where all the projects provided additional services. This made them most popular and preferred in the area. This agrees with literature review: According to Roger & Osberg, (2007) Steve Jobs and Wozniak didn't campaign against mainframes or encourage users to rise up and overthrow the information and technology department; they invented a personal computer that allowed users to free themselves from the mainframe. Meeting customers' expectations is very essential since it moves mere customers to royal customers; the study established the customer's expectations were well met. Demand for social entrepreneurship institutions is easily realized where the innovation fill the void by providing structures that people trust to support their efforts to gain control over their fates and lives. This helps to transform those in need from mere receivers to members of society who are capable of making contributions themselves, thereby creating a positive feedback cycle of development (Christian, Et al, 2010). Demand for social entrepreneurship services influences sustainability of social entrepreneurship projects to a greater extent.

5.3.2 Financial Returns and Sustainability of Social Entrepreneurship Projects

Financial stability of organization is very essential to ensure its sustainability. Traditional philanthropy has focused too much on donor satisfaction and not enough on producing measurable results (Thomas & Stephanie, 2003). Today, more investors and entrepreneurs than ever are proactively investing their capital in solutions designed to generate a positive social or environmental impact, while also having the potential for some financial return. Most projects had enough financial returns to cater for daily expenses. The creditor and debtors days help to

measure the financial stability of the organization. The projects indicated a health debtor/creditor days. As noted in literature review a number of institutions currently use a variety of financial ratios and norms to assess and compare the financial health and performance (National Treasury MFMA, 2014). The Ratio indicates the collection rate; i.e. level of payments .It measures increases or decreases in Debtors relative to annual billed revenue. The Study established financial stability of the projects which agrees with Kersley and Sullivan observation that a non-profit group expects the impact investment market to grow to USD 500 billion by 2014, representing an average annual growth rate of nearly 60% since 2009. Still, at USD 500 billion, the impact investment market would still amount to only about 1% of global equity market capitalization (Kersley & Sullivan, 2012).

5.3.3 Organizational policy and Sustainability of Social Entrepreneurship Projects

The Study established that the organizational policy significantly influence sustainability of social entrepreneurship project's as shown in the regression analysis with 0.09 level if influence. Communities and societies need to provide enabling structures and a fair distribution of limited resources (Krishna, Norman, & Milton, 1997). The study established that there is good customer relation and communication in the projects. The allocation for working tools was well done with staff exhibiting integrity and honesty. According to Krishna Et al (1997) The drive for social entrepreneurship development comes from communities and societies that seek responsible allocation of resources, protection of the rights of individuals, trusted institutions, and means of risk sharing for building entrepreneurial initiatives through legal, communication, and market structures that are efficient and fair. The study established that distractions during working period affect ones productivity. Usually a suitable organizational structure will be chosen, on the basis of the content and the scale of the social business of each enterprise (Tanimoto, 2006).

5.3.4 Management Capacity and Sustainability of Social Entrepreneurship Projects

Ethical leadership is characterized by trustworthy leaders, who serve as ethical role models and enforce clear standards for ethical behavior among followers, and also conduct their personal life in an ethical manner. Ethical leaders also have the best interest of employees in mind and listen to what they have to say (Thake & Zadek, 1997). Iko Toilet demonstrated strong structure of

leadership with mentorship programs, delegation and empowerment. The Iko toilet management sets out achievable targets and also reviews the work with a planned approach. Good management of team involves uniting them around a common vision and core values which was noted in the IkoToilets projects where leaders share success and credits while tolerating differences and diversity. It is important for a leader to have time and go through diaries or look back at goals achievements and unexpected events that have happened during the year. Empowering leadership includes aspects such as encouraging independent action, self-development of the employee and mutually agreed performance goals, and is key to unleashing their followers' potential, engagement and creativity (Gardner, 1995).

5.4 Conclusion

Investors don't venture into the social entrepreneurship for profit gain but venture into it to make a difference and get a positive return on their capital. Sometimes that return is financial first, sometimes it's impact first, but both sides of the spectrum are needed to build the market at the intersection of money and meaning. Sustainability of the social entrepreneurship projects is very essential to ensure continued impact. On the basis of the research findings the following conclusions;

The results indicate there is significant relationship between the four factors under study i.e. demand for social entrepreneurship services, financial returns, organization policy and management capacity on sustainability of social entrepreneurship projects. The study findings concluded that demand for social entrepreneurship services had the least influence on sustainability of social entrepreneurship projects. In as much the social entrepreneurship projects aim at addressing the most pressing need. Its demand for social entrepreneurship services in the community members may not be number one factor to ensure its sustainability thus when a need is met. The community might no longer be interested in the project this keeping community/beneficiary morale and embracing the sense responsibility.

The management capacity had the second greatest influence on sustainability of social entrepreneurship projects. This puts emphasis the role of leader in maintaining good relation and providing direction, thus ensuring long-term impact of the social entrepreneurship projects.

The regression analysis shows that the organizational policy has the greatest influence on sustainability of social entrepreneurship project. This shows that the Communities and societies need to provide enabling structures for the sustainability of social entrepreneurship project.

Social entrepreneurship involves influence on decision making, transformed communities, Powered people shows up in the way they buy and the way they invest for good at the level of the cash that's in their wallet, value created that does not live on a balance sheet is intrinsically shared.

5.5 Recommendations

This study made the following recommendations.

1. The study recommends that well thought organization policies should be enforced to ensure sustainable social enterprises.
2. Effective leadership and management should be embraced to ensure sustainability of social entrepreneurship projects.

5.6 Suggestions for Further Studies

1. This report recommends that further research should be carried out to establish the other factors that are attributed to influencing 29% of the Sustainability of the social entrepreneurship projects; according to the regression model.
2. The study on selected sustainability of Social Entrepreneurship Projects in Nairobi County. It is recommended that this topic can be investigated from other parts of the Country and in other social entrepreneurship projects apart from Iko Toilets projects.

REFERENCES

- Alex, N. (2006). *Social Entrepreneurship: New Models of Sustainable Change*. Oxford: University Press.
- Ashoka. (2014). Social Entrepreneurs Changing Lives Through ICT. *Social Innovation Mapping*.
- Austin, J., Stevenson, H., & Wei-Skillern, J. (2006). Social and Commercial Entrepreneurship: Same, Different, or Both? *Entrepreneurship: Theory & Practice*, 30(1): 1-22.
- Bluenow. (2012, April 23). *Health, Sanitation, Water Products*. Retrieved from HydrateLife: <http://www.hydratelife.org/?p=250>
- Chartered Institute of Management . (2009). Cash management, credit and overtrading. *Improving cash flow using credit management*, 16, 24, 25.
- Christian, S., Johanna, M., Julie, B., & M. Tina, D. (2010, May). The embeddedness of social entrepreneurship: understanding variation across local communities. *IESE Business School – University of Navarra*.
- Clark, C., & Emerson, J. (2011, Nov 8). ImpactAssets. *Social Entrepreneurship and the Next Generation of Giving*. Retrieved from <http://wapo.st/vcSnnU>
- Dacin, P. A., Dacin, M. T., & Matear, M. (2010). Academy of Management Perspective. *Social entrepreneurship: Why we don't need a new theory and how we move forward from here*, 37-57.
- Dacin, T., Ventresca, M., & Beal, B. (1999). The embeddedness of organizations: dialogue and directions. *Journal of Management*, 25(No. 3), 17-56.
- Dees, J. G. (2001, May 30). The Meaning of Social Entrepreneurship.
- Dubai International Award for Best Practices. (2015, April 5). *Dubai International Award for Best Practices*. Retrieved from Dubai International Award for Best Practices: <http://www.dubaiaward.dm.gov.ae>
- Elkington, J., & Hartigan, P. (2008). *The Power of Unreasonable People: How Social Entrepreneurs Create Markets that Change the World*. Boston : MA: Harvard Business Press.
- Emerson J., & T. (1996). The success, challenge, and lessons. *New social entrepreneurs*.
- Emerson, J., & Twersky, F. (1996). *New social entrepreneurs: The success, challenge, and lessons of non-profit enterprise creation*. San Francisco: The Roberts Foundation.
- Gardner, H. (1995). *Leading minds: An anatomy of leadership*. New York: Basic Books.
- Gartner, W. B. (1992). Differentiating entrepreneurial from organizational behaviour. *Entrepreneurship Theory & Practice*, Vol. 16 No. 3, pp. 13 – 32.
- Gartner, W., Bird, B., & Starr, J. (1992). Differentiating entrepreneurial from organizational behaviour. *Entrepreneurship Theory & Practice*, 16(3), 13 – 32.

- Georg, K., & David, L. ((2003)). The Global Compact Network: An Historic Experiment in Learning and Action. *Business and Society Review* , 108 (2):151-181 .
- Gill, J., & Johnson, P. (1997). Research Methods for Managers. In *Research Methods for Managers, 2nd edition*. London: Chapman.
- Grossman, S. J., & Hart, O. D. (1986). The Cost and Benefits of Ownership: A Theory of Vertical and Lateral Integration. *The Journal of Political Economy*, 94(4): 691-719.
- Hibert, S. A., Hoggs, G., & Quinn, T. (2002). Consumer response to social entrepreneurship: the case of the bigg issue in Scotland. *International Journal of non profit and voluntary sector marketing*, 7(3), 288 - 301.
- J, G. P., D.M, G., & W.R, B. (1999). Applying educational research 4th. In *Applying educational research 4th*. Michigan, USA: Longman Publisher,.
- J. Gregory, D., Miriam, & Peter, H. (1998, October 31).
- Kenya, G. o. (2003). Municipal Financer management act. *Uniform faiancial ratios and norms*, 1-23.
- Kersley, R., & Sullivan, O. M. (2012). Research Institute Thought leadership from Credit Suisse Research and the world's foremost experts. *The Credit Suisse Global Wealth Report*.
- Kivuitu, M., Yambayamba, K., & Fox, T. (2005, July 3). "How can Corporate Social Responsibility Deliver in Africa? Insights from Kenya and Zambia in Perspectives on Corporate Responsibility for Environment and Development. *International Institute on Environment and Development Journal*.
- Krishna, A., Norman, U., & Milton, J. E. (1997). *Reasons for hope: Instructive experiences in rural*. West Hartford: Kumarian Press.
- Mair, J., & Marti, I. (2006). Social entrepreneurship research: A source of explanation, prediction and delight. *Journal of World Business*, 41: 36-44.
- Makutsa, P., Nzaku, K., Ogotu, P., Barasa, P., Ombeki, S., & Mwaki, A. (2001). Makutsa, P., Nzaku, K., Ogotu, P., BaraChallenges in implementing a point of use water quality intervention in rural Kenya. *American Journal of Public Health*, 1571 - 1573.
- Margolis, J. D., & Walsh, J. P. (2003). Rethinking social initiatives by business. *Misery loves companies*, 48:268–305.
- Martin, R. L., & Osberg, S. (2007). Social Entrepreneurship: The Case for Definition By Roger L. Martin & Sally Osberg . *Stanford Social Innovation Review Spring*.
- Martin, R. L., & Osberg, S. (2007). Social Entrepreneurship: The Case for Definition. *Stanford Social Innovation Review*, 28-39.
- Matthew C. Sonfield, R. N. (2004). First, Second and Third Generation Family Firms: A Comparison. *Family Business Review*, 14(3).
- Mohamed, I. A., & Wendy, W. (2001). Broadening the Bounds of Youth Development: Youth as Engaged Citizens. *Ford Foundation and the Innovation Center for Community and Youth Development*, 4.
- Morgan, J. (2010). Impact Investments: An emerging asset class. *Global Research*.

- Mugenda, O. M., & Mugenda. (2003). Research Methods. In *Quatitative and qualitative approaches*. Nairobi: Acts Press.
- National TreasuryMFMA. (2014, January 17). Uniform Financial Ratios and Norms . *Circular No. 71 Municipal Finance Management Act No. 56 of 2003*.
- Orodho, N., & Kombo, N. M. (2002). Research Methods. In *Resarch Methods*. Nairobi: Acts Press.
- Patton,, & Michael, Q. (1990). Qualitative Evaluation and Research Methods. In *Qualitative Evaluation and Research Methods* (2nd edition ed.). Sage: Newbury Park.
- Prahalad, C., & Hammond, A. (2002). Serving the World's Poor, Profitably. *Harvard Business Review*, 80(9): 1 - 11.
- Roger, L. M., & Osberg, S. (2007). Social Entrepreneurship: The Case for Definition. *Stanford Social Innovation Review*.
- Saunders, M., Lewis, P., & Thornhill, A. (2007). Research methods for business students. In M. Saunders, P. Lewis, & A. Thornhill, *Research methods for business students* (4th ed.). Harlow: Pearson Education.
- Schwab Fellows of the World Economic Forum. (2015, May 7). *Schwab Fellows of the World Economic Forum* . Retrieved from The Schwab Fellows of the World Economic Forum : <http://www.schwabfound.org/content/martin-j-fisher>
- Seelos, C., & Mair, J. (2005). Social Entrepreneurship: Creating new business models to serve the poor. *Business Horizons*, 48: 241-246.
- Sheil, A., & Bahk, C. (2010). Exploring the pedagogical outcomes of service learning in international public relations education. *International Journal of Innovation and Learning*, Vol. 7, No.3, 274 – 289.
- Stuart, L. H., & Prahalad,, K. C. (2012). The Fortune at the Bottom of the Pyramid. *strategy + business*(26).
- Susan, D., Committe, I. B., & Public, A. I. (2012). TOWARDS AN ENTREPRENEURIAL CULTURE FOR SOCIAL AND ECONOMIC DEVELOPMENT. *SOCIAL ENTREPRENEURSHIP*.
- Tanimoto, J. M., & Kanji, P. k. (2008). A Conceptual framework of social entrepreneurship and social innovation cluster: a preliminary study. *Hitotsubashi journal of commerce and management*, 41(1), 1-16.
- Tanimoto, K. (2006). Evaluation of Corporate Social Responsibility (CSR) and the Market. In *The Japan Association forComparative Studies of Management (Ed.), Business and Society* (pp. 95-103). Kyoto.
- Thake, S., & Zadek, S. (1997). *Practical people, noble causes: How to support community-based social entrepreneurs*. London: New Economics Foundation.
- The United Nation Global Compact. (2007). *2005 Annual Report for Global Compact Kenya Network*. Nairobi: United Nation. Retrieved from http://www.unglobalcompact.org/docs/networks_around_world_doc/Annual_Reports_2007/Kenya_Annual_Activity_Report_2007.pdf

- Thomas, K. R., & Stephanie, J. C. (2003). New Directions for Philanthropic Fundraising. *Unleashing new resources and entrepreneurship for the common good: A philanthropic renaissance, 2001*(32), 109–144.
- Uphoff, N., Esman, M. J., & Anirudh, K. (1998). Reasons for success: Learning from instructive experiences.
- United Nation. (2014). *The Millennium Development Goals Report*. New York: United Nation.
- Uvin, P., Pankaj, S. J., & L. David, B. (2000). Think large and act small: Toward a new paradigm for NGO scaling up. *World Development, 28*(8), 1409-1419.
- Weerawardena, J., & Mort, G. M. (2006). Investigating social entrepreneurship: a multidimensional model. *Journal of World Business, Vol. 41*, 21-35.
- William, S., & Emily, D. (2014, March 28). Social enterprise: constraints and opportunities evidence from Vietnam and Kenya.
- William, v. d., Irmtraud, G., Presser, S., Rothgeb, J. M., Couper, M. P., Judith, L. L., . . . Eleanor, S. (2004). Development and Improvement of Questionnaires Using Predictions of Reliability and Validity. In *Methods for Testing and Evaluating Survey Questionnaires*. New York: Wiley.
- William, W., Walstad, W., & Marilyn, K. (2004). For-Profit Social Ventures. *International Journal of Entrepreneurship Education, volume 2*, 2.
- Zahra, S. A., Rawhouser, H. N., Bhawe, N. N., & Hayton, J. C. (2008). Globalization of Social Entrepreneurship Opportunities. *Strategic Entrepreneurship Journal, 117/131*.
- Zahra, S. A., Rawhouser, H. N., Bhawe, N., Neubaum, D. O., & Hayton, J. C. (2008). Globalization of Social Entrepreneurship Opportunities. *Strategic Entrepreneurship Journal, 2*(2): 117/131.

APPENDICES

APPENDIX 1: LETTER OF TRANSMITTAL

Benson Mwangi Njuguna,
P.O BOX 72983 - 00200,
Nairobi.

Dear Respondent,

RE: ACADEMIC RESEARCH

I am a student of the University of Nairobi pursuing a Masters of Arts Degree in Project Planning and Management. I am conducting academic research on factors influencing sustainability of social entrepreneurship projects. I have chosen IKO toilet projects in Nairobi County as a case study to provide information relating to sustainability of social entrepreneurship projects.

I humbly request you to fill the enclosed questionnaire. The questionnaire has four sections that will focus on demand for social entrepreneurship services, financial returns, organizational policy, and management capacity. Please note that all the information provided for this study will be treated with utmost confidentiality and will be used only for the purpose of my academic research. Your ability to answer all the questions comprehensively and to the best of your knowledge will be highly appreciated.

Thank you for your co-operation and precious time.

Yours faithfully,



Benson Mwangi Njuguna

E-mail: mwangi.bensonr@yahoo.com

Phone: 0724657088.

APPENDIX 2: QUESTIONNAIRE

Instructions

Please tick {✓} in the appropriate box and also fill in the blank spaces provided for those questions where elaborate answers are required. Please complete this questionnaire as honestly and objectively as possible. Use the space at the back of this questionnaire if you need more space for your responses.

PART A: Respondents Profile

1. Gender Male Female
2. Age
 Below 24 years 25-29 Years 30-34 years
 35-39 Years 40-44 Years Over 44 Years
3. What is your education level (state the highest level)?
 Certificate Diploma Undergraduate
 Postgraduate Other _____
4. How many years have you worked for the IkoToilets facilities?
 Less than 1 year 1-3 years 4-7 years
 8-11 years over 11 years
5. What is your professional orientation?
 Management Cleaner/Sanitation
 Cashier Security Others (Specify)

Part B: influence of Demand for social entrepreneurship services on social entrepreneurship projects

- i. How many customers use the facility per day?

Below 100 100 – 150 150 – 200 Above 200

- ii. What additional value you give the customers to attract them to IkoToilet facility?

60

Hand wash soap

Tissue

Other? Specify.....

- iii. In a scale of 1 to 5 (1 indicating lowest value and 5 highest value) to what extent do you believe the following variables influence customers to use IkoToilet facility?

Variable	1	2	3	4	5
The cost of service is affordable					
The facility is the most preferred in this area					
The facility is most popular in this area					
We meet customer expectations					
Customers are willing to pay prescribed amount to use the facility					

- iv. In your own opinion indicate the extent to which demand for social entrepreneurship services influence sustainability of social entrepreneurship projects.

Very great extent Great extent Moderate extent
 Little extent No extent

Part C: Influence of financial returns on social entrepreneurship projects

- i. What is the range of the profit you make per day?

1000 – 3000 3001 – 6000 6001 – 9000 Above 9000

- ii. In a scale of 1 to 5 (1 indicating lowest value and 5 highest value) to what extent is the IkoToilet facility able to cater for daily expenses?

- iii. How long on average it takes for the IkoToilet facility takes to collect the money it is owed?

1-15 days 15 – 30 days 30 – 45 days above 45 days

- iv. How long on IkoToilet facility takes to pay its suppliers?

1-15 days 15 – 30 days 30 – 45 days above 45 days

- v. In your own opinion indicate the extent to which Financial returns influence sustainability of social entrepreneurship projects.

Very great extent Great extent Moderate extent
 Little extent No extent

Part D: Influence of Organizational policy on sustainability of social entrepreneurship projects

- i. Below are statements on influence of organizational policy on sustainability of social entrepreneurship projects. Please indicate the degree to which you agree using the scale: Strongly Agree (5); Agree (4); Neutral (3); Disagree (2) and Strongly Disagree (1)

Statement	5	4	3	2	1
There is good customer relation in the IkoToilet facility					
There is good communication among the staff of IkoToilet facility					
IkoToilet employees are competent to handle their duties					
Distractions within the working structure affect my productivity					
There is high level of staff honesty and integrity					
The working tools are always available					

- ii. In your own opinion, indicate the extent to which organizational policy influence sustainability of social entrepreneurship projects.

Very great extent Great extent Moderate extent
 Little extent No extent

Part E: Influence of management capacity on sustainability of social entrepreneurship projects

- i. The following are statements related to management capacity on sustainability of social entrepreneurship projects. Kindly indicate your level of agreement using the scale: Strongly Agree (5); Agree (4); Neutral (3); Disagree (2) and Strongly Disagree (1)

Statement	5	4	3	2	1
There is there good formal structure of accountability					
Number of guidance and coaching sessions per year are adequate					
Leaders review the work of staff with a planned approach & on regular basis					
There is power and authority sharing through delegation and empowerment					
Leaders share success and credit with team members					
Management sets out achievable standards and targets					
Leaders accept and tolerate differences and diversity					

- ii. In your own opinion, indicate the extent to which management capacity influence sustainability of social entrepreneurship projects.

Very great extent Great extent Moderate extent
 Little extent No extent

Part F: How would you rate the following variables on their level of influence in relation to sustainability of social entrepreneurship projects?

Variable	1	2	3	4	5
Demand for social entrepreneurship services for of IkoToilet projects					
Financial returns of IkoToilet projects					
Organizational policy of IkoToilet projects					
Management capacity of IkoToilet projects					
Competitiveness in the service provision					
Quality of service provided					

APPENDIX 3: IN-DEPTH INTERVIEW GUIDE

INTERVIEW GUIDE FOR SOCIAL ENTREPRENEURS

Please tell me your name and your designation?

Demand for social entrepreneurship services for social entrepreneurship projects

1. How many customers on average are served in one IkoToilet facility?
2. In your opinion are customers always willing to pay the prescribed amount to use the IkoToilet facility?
3. What additional value does the IkoToilet facility provide that's makes it different from other sanitation facilities?
4. In your own opinion why do you believe the IkoToilet facility effectively meet the expectations of the customer?

Financial Returns for social entrepreneurship projects

5. On average what is the profit margin for the IkoToilet projects per day?
6. Are there days or seasons that the IkoToilet projects not able to meet their daily expenses? What are some of the causes?
7. Is there days the IkoToilet projects not able to pay its suppliers? How long does it take to pay its suppliers?
8. How long on average it takes for the IkoToilet projects take to collect the money from its debtors? What are some causes for delays?

Organizational Capacity

9. How does IkoToilet staff treat their customers?
10. In your own opinion why do you believe employees happy working in the IkoToilet facilities?
11. What are some of the values that are highly regarded in the management of IkoToilet facilities?

Management Capacity

12. Please describe the structure of accountability in the IkoToilet projects?
13. How do managers relate with IkoToilet projects staffs?
14. In your own opinion what is the greatest influence in sustainability of social entrepreneurship projects?

APPENDIX 4: Research letter from National Commission on Science and Technology and Innovation.