

**FACTORS INFLUENCING SUSTAINABILITY OF SOCIAL ENTERPRISES
WITHIN CHURCH ORGANIZATIONS: A CASE OF CATHOLIC DIOCESE OF
NAIROBI**

BY

GEORGE ODUOR


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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE AWARD OF DEGREE OF MASTER OF ARTS IN
PROJECTS PLANNING AND MANAGEMENT OF UNIVERSITY OF NAIROBI.**

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DECLARATION

I declare that this Research Project is my original work and has not been presented in any other university or institution for academic credit.

Signature 

Date 3/5/13

George Oduor

Reg. No. L50/70900/07

This research project has been submitted for examination with my approval as the university supervisor.

Signature 

Date 16/7/2013

Dr. Harriet Kidombo

Dean, School of Continuing and Distance Education

University of Nairobi

DEDICATION

This work is special dedication to Fr. Patrick, Mr. Herbert and Mrs. Susan for their financial assistance and encouragement during this period of study and in my life.

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May God bless you all.

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ABBREVIATIONS AND ACRONYMS

FR.	: Father, meaning Catholic Priest
PD	: Project Design
PM	: Project Manager
REV.	: Reverend
SPSS	: Statistical Package for Social Sciences
SR.	: Sister, meaning Catholic nun
SE	: Social Enterprise
SSE	: Sustainable Social Enterprise

ABSTRACT

Social Enterprise has proved to be the most powerful global concept which describes those businesses with primarily social and environmental objectives whose surpluses are principally re-invested for that purpose in businesses or in the community rather than to provide returns to owners and share-holders as profit. Social enterprises hold immense benefits to the social enterprise and the society and as such, any sustainability challenge that may lead to the demise, bankruptcy or dissolution of such individuals, institutions and companies pose dire consequences for such noble enterprises. Such sudden ends see the very hopes and lives of the beneficiaries dwindle due to sustainability challenges. This is why this study examined the factors influencing sustainability of social enterprises within Church organizations: a case of Catholic Diocese of Nairobi. Using a target population of project managers, project directors and project staff in the social enterprises in the Catholic Diocese of Nairobi, and five research questions, the study selected a sample and employed descriptive survey design. The research instruments were questionnaires and the interview guide for the sample. For data analysis, both descriptive and inferential statistics were employed.

The findings showed that all the four variables in the study influence sustainability of social enterprises within Church organizations. Project design has the greatest significance followed by management, community attitude and lastly, finance. Based on the findings, the study concluded that for any social enterprise within Church organizations to be sustainable it must establish a strategic fit in its management,

alternative income generating projects, project design and community involvement.
Various recommendations based on findings and areas for further study suggested.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Social Enterprise (SE) is a powerful global concept which describes those businesses with primarily social and environmental objectives whose surpluses are principally re-invested for that purpose in businesses or in the community rather than to provide returns to owners and share-holders as profit (Leadbeater, 2007). Social enterprise is the contemporary global trend of Corporate Social Responsibility that is spreading as scholars and business people realize the importance of meeting the social and environmental needs of the society, thus bridging the gap between the rich and the poor.

Social enterprise provides a completely new vision in business animated by social purpose that is, attending to the unmet needs of the society and the environment (Leadbeater, 2007). Social enterprise creates a positive image, earns an individual or institution special respect amongst its peers, reduces pollution, creates employment opportunities by taking various projects like construction of parks, schools, health centers, tree planting and serves the needs of the society.

Individuals, institutions and corporate entities that undertake social enterprises take the dimensions of social response and social contribution. While some go on selective basis beyond the legal requirements using cost-benefit analysis, others volunteer with a sense of deep obligation to serve the society regardless of the costs or benefits involved. The lack of legal framework and government support has made competition challenging for such organizations except in a few countries (Pattiniemi, 2006).

The Church as an institution as well as individual people in the Church especially, missionaries, have played a key role in the alleviation of socio-economic challenges of people in various corners of the world through social enterprises. This has been mainly through the provision of education, health facilities and food alongside their spiritual nourishment (Flannery, 1992). At times, such projects are usually brought to a sudden halt with the transfer of an individual minister, demise of donors or withdrawal of funds by the donors who support such courses.

This coming to a sudden halt of the social enterprise often leaves incomplete projects, unfulfilled goals and unfulfilled hopes of the beneficiaries whose livelihood and uplifting to a higher level of security in terms of food, education and medical health was solely dependent. This has in most cases left challenges in managing such enterprises, dissolution or reduction in the number of beneficiaries at best. It is such moments that various stakeholders and beneficiaries struggle with the social enterprises and wish they would have initiated some sustainability structures to see them through such unforeseen yet compelling and demanding challenges (Pattiniemi, 2006). This brings in the importance of sustainability of social enterprises within Church organizations as a preventive strategy that could see the successful completion of various social enterprises and eventual fulfillment of the visions of the founders of such enterprises.

Regarding challenges to sustainability, Pauline et al. (1999) states the factors affecting the sustainability of social enterprises as leadership, funding, community involvement, professional support, credibility, shared ownership, dynamic individuals, flexibility and responsiveness, networking. John et al (2001) also emphasize the importance of sustainability. This calls for the statement of the problem of this study.

1.2 Statement of the Problem

The dignified role of social enterprises in providing basic needs of the society, bridging the ever-increasing gap between the rich and the poor masses, and making the world more humane has more often than not touched different individuals, institutions and companies to contribute as donors. Although sustainability ought to be essentially in mind in the establishment of a social enterprise, the demise, bankruptcy or dissolution of such individuals, institutions and companies pose dire consequences for such noble enterprises including termination. The sudden end of almost 50% of such projects with noble goals in the Catholic Diocese of Nairobi have seen the very hopes and lives that were already raised in the beneficiaries undergo a nose-dive due to sustainability challenges. This has made social enterprises to be challenged in continuity in offering their services midst the demand for continuity as most challenges require long term solutions. A study by various scholars in Borzaga and Defourny (2001) only analyzed the situation of social enterprises in the fifteen European Countries. Such studies say nothing of developing counties such as Africa.

This study intends to examine the factors influencing sustainability of social enterprises within Church organizations: a case of Catholic Diocese of Nairobi with a view to establishing the correlation of the supporting individuals or institutions and continuity in meeting the long term goals of the social enterprises by Church organizations.

1.3 Purpose of the Study

The contribution of this study to social enterprises is the sustainability of the enterprise as it strives to fulfil its short, medium and long terms goals in whichever project they undertake. The purpose of this study is to analyze the factors influencing sustainability of social enterprises within Church organizations.

1.4 Objectives of the Study

1.4.1 Main Objective

To establish the factors that influence the sustainability of social enterprises within Church organizations in Kenya

1.4.2 Specific Objectives

1. To examine how management influences the sustainability of the social enterprise within Church organizations.
2. To establish the extent to which the financial resources influence the sustainability of the social enterprise within Church organizations.
3. To assess the contribution of project design to the sustainability of the social enterprise within Church organizations.
4. To establish the relationship between community attitude and the sustainability of the social enterprise within Church organizations.

1.5 Research Questions

1. In what way does the management of a social enterprise influence the sustainability of social enterprises within Church organizations in Kenya?
2. To what extent do the financial resources influence the sustainability of the social enterprise within Church organizations?
3. How does the project design influence the sustainability of the goals of the social enterprise?
4. What is the relationship between community attitude and the sustainability of a social enterprise within Church organizations?

1.6 Hypotheses

1. The management of social enterprises has no influence on the sustainability of social enterprises within Church organizations in Kenya when measured by staffing and competence of management and staff
2. Financial stability has no direct link to the sustainability of the social enterprises within Church organizations when measured by availability of funds and alternative income generating project(s)
3. The project design has no impact on the sustainability of the social enterprises in their endeavor to meet their strategic plan when measured by type of design and level of involvement of various stakeholders
4. There is a no relationship between community attitude and the sustainability of social enterprises within Church organizations when measured by contribution by the community, benefits to the community and sense of ownership

1.7 Significance of the Study

This research would add to the current body of knowledge on factors influencing the sustainability of social enterprises within Church organizations. Although there has been a lot of literature on social enterprise, the findings from this research would help in contextualizing the African understanding of social enterprise and its role in sustainability of the social enterprise. This study would be of great significance to social entrepreneurs currently facing challenges regarding the sustainability of their enterprises and encourage individuals and institutions that wish to venture into social enterprises but are hesitant due to fear of sustainability-related challenges through the recommendations of this study.

The study could also be of help in the fulfillment of the dreams of social entrepreneurs as well as fulfilling the hopes of the beneficiaries who are entangled in the jungle of challenges in accessing the needs that are being met by the social enterprises. The study through such benefits would promote the quality of lives of the beneficiaries by proposing sustainability strategies that would lead to successful implementation of social enterprises. Other than the above mentioned benefits, the study would also enhance a smooth transition in cases of transfers, deaths, collapse or bankruptcy of key stakeholders.

1.8 Delimitation of the Study

This study was limited to Catholic Church organizations within Nairobi Diocese as there are a number of projects within Nairobi, Kenya and its periphery. It included the their understanding of social enterprise, factors influencing sustainability of their social enterprises, the extent to which the existence of an alternative income generating project influences sustainability of the social enterprise within Church organizations, the extent to which withdrawn or reduced donor funding influences sustainability and deters the realization of the goals of the social enterprise and the relationship between community involvement and ownership of a social enterprise and its sustainability in the long term. Although the headquarters of the Catholic Diocese of Nairobi is in Nairobi, some social enterprises were located both within and outside the city.

1.9 Limitations of the Study

Accessibility of the various areas where such social enterprises were located was challenging owing to limited time and financial resources to travel to various parts of the Nairobi province or County. There were also failures of some respondents to cooperate because of their busy schedules and heavy workload or difficulties in exposing sustainability challenges.

Data collection process was labour-intensive and time consuming thus compelled the researcher to spend more time and resources in conducting the research process than the already estimated. The researcher overcame these challenges by prior planning and allocation of some extra time, obtaining written permissions from various heads of the churches sampled for the study and using a personal car to access the social enterprises in areas where public service vehicles may be challenging to get so as to save on time.

1.11 Assumptions of the Study

The study was based on the assumption that the social enterprise initiator as an individual, an institution or a company and the beneficiaries would like the social enterprise to realize its objectives.

Another assumption of this study was that most social enterprises over-rely on donor funds and although donor funds are quite handy in meeting the socio-economic challenges facing people in various spheres of life, these donor funds can be stopped or reduced due to various reasons.

1.12 Definitions of Significant Terms

Donor funds: Are funds that have been provided for the establishment or running of the social enterprise voluntarily by an individual, an organization or an institution to meet a specific social purpose or goal.

Social entrepreneurs: Are a category of entrepreneurs who are unique in their possession of a social mission that affects how they perceive and assess opportunities in the external environment in their efforts to improve social well being.

Social enterprise: A (private) organization devoted to achieving some social good and which must furthermore incorporate, besides the traditional resources of non-profit organizations (donations and voluntary participation), commercial revenue (originating both from public and private customers and founders) and business activity.

Sustainability: The ability of a social enterprise to endure or meet most if not all of its operational costs.

1.13 Organization of the Study

This study is organized into five chapters. The first chapter presents background to the study, statement of the problem, purpose of the study, objectives of the study, research questions, significance of the study, delimitation of the study, limitations of the study and assumptions of the study. It also presents the definitions of significant terms employed in this study, the conceptual framework, the organization of the study, and the summary of this chapter.

Chapter two reviewed various literature on social enterprises with special regard to their meaning, characteristics, factors affecting their sustainability, theoretical review of the traits theory of social entrepreneurship, the conceptual framework, knowledge gap and summary of the chapter. The third chapter consisted of the research design, target population, sample and sampling procedure, methods of data collection, validity and reliability of the data collection instruments, operational definition of variables and methods of data analysis.

The fourth chapter consisted of data analysis, presentation and interpretation of findings commencing with the demographic information then proceeding to the responses to the research questions while chapter five was basically the summary, conclusion, recommendations and suggestions for further research; all in line with the research questions that guided this study.

1.14 Summary

This chapter has discussed the background to the study, statement of the problem, purpose of the study, objectives of the study, research questions, significance of the study, delimitation of the study, limitations of the study and assumptions of the study. It further discussed the definitions of significant terms employed in this study, the conceptual framework, the organization of the study, and finally, the summary of this chapter.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The increasing prevalence of social enterprises in the society in both business and non-business environment serves to mitigate the extreme effects of free capitalism that has pervaded the entire globe making access to basic commodities and essential services far beyond the reach of poor people. This role has made social enterprises play a critical role in the creation of a more sustainable, ethical and socially inclusive economy alongside environmental concerns. Clear understanding of the issue under study calls for understanding the meaning of social enterprises and sustainability of social enterprises. This chapter clarifies the problem and variables in this study by reviewing various literature on social enterprises with special regard to the factors affecting their sustainability. The chapter also reviews the traits theory of social entrepreneurship as argued by various scholars and theorists and presents the conceptual framework. The chapter commences with literature review on social enterprises, review of the traits approach theories and finally, the conceptual framework that guides the study.

2.2 Social Enterprises

A social enterprise is “essentially a (private) organization devoted to achieving some social good and which must furthermore incorporate, besides the traditional resources of non-profit organizations (donations and voluntary participation), commercial revenue (originating both from public and private customers and founders) and business activity” (Young, 2000).

Social entrepreneurship encompasses acts of enterprise creation, renewal and growth that occur within or outside an existing set up (Sharma & Chrisman, 1999). Although various definitions exist, social enterprises are commonly described as businesses, not for profits and a hybrid of for profit and not for profit started by social entrepreneurs that operate primarily to achieve social and environmental objectives, rather than to provide returns to owners and share-holders. For social enterprises that are businesses, any profit, or 'surplus' that they accrue is usually, therefore, invested in furthering social and environmental benefits and business growth. The social enterprises have a social mission that is central and explicit in how they operate, perceive and assess their opportunities. Mission related impact is the key criterion and not wealth creation (Gregory, 2001). The term arose to distinguish them from the third sector traditional non-profit organizations that have not embraced the new entrepreneurial forms.

According to Gregory (2001), a social enterprise must adopt a mission to create and sustain social value, recognize and relentlessly pursue new opportunities to serve that mission, engage in a process of continuous innovation, adaptation and learning, act boldly without being limited by resources currently in hand and finally, exhibit heightened accountability to the stakeholders and for the outcomes created. An analysis by Borzaga and Defourny (2001) showed different trends of social enterprise in the fifteen European Union countries. In Austria, they have taken the direction of new childcare services; in Belgium, the direction of community services; Denmark, cooperative activity and community; Finland, cooperatives as a solution to unemployment; France, development of proximity services; Germany, transitional employment and Greece, response to welfare needs.

Borzaga and Defourny (2001) add that in Ireland it is local development; Italy, innovative social services; Luxembourg, work integration social services; Portugal, cooperatives for the rehabilitation of people with disabilities; Spain, as a response to employment policy failure; Sweden, work integration social services; Netherlands, neighbourhood development and United Kingdom which has a wide variety of social enterprises.

2.2.1 Characteristics of Social Enterprises

According to Borzaga and Defourny (2001), there are nine characteristics that a social enterprise must possess. These include a continuous activity of production and/or selling services, high degree of autonomy, significant level of economic risk, minimum amount of paid work, explicit aim to benefit the community, initiative launched by a group of citizens, decision-making power not based on capital ownership, participatory nature which involves the persons affected by the activity and limited profit distribution.

The first characteristic is a continuous activity of production and/or selling services. Social enterprises are directly involved in the production of goods or the provision to people on a continuous basis but not engaged in advocacy activities as their major goal or in the redistribution of financial flows. The provision of such goods or services is the main reason for the existence of social enterprises (Borzaga & Defourny, 2001).

Social enterprises are also characterised by a high degree of autonomy. This is why Borzaga and Defourny (2001) assert that social enterprises are voluntarily created by a group of people and governed by them in a framework of an autonomous project. Although they may depend on public subsidies, they are not managed directly or indirectly by public authorities, federations or private firms. They have the right of voice and exit.

A third characteristic is a significant level of economic risk. In line with this, Borzaga and Defourny (2001) argue that it is a clear fact that those who establish a social enterprise assume totally or partly of the initiative. Their financial viability depends on the efforts of their members and workers in securing adequate resources.

Borzaga and Defourny (2001) state another characteristic of social enterprises as a minimum amount of paid work. Even though social enterprises may be non-profit organizations or a combination of monetary and non-monetary resources, voluntary and paid workers, it requires a minimum amount of paid workers. This lowers the cost of operations.

Social enterprises are also characterised by an explicit aim to benefit the community. This should be one of the principle aims of the social enterprise (giving service to the community or a specific group of people). Social enterprises should have the desire to promote a sense of responsibility at a local level (Borzaga & Defourny, 2001).

The sixth characteristic is that it must be an initiative launched by a group of citizens. Social enterprises are a result of collective dynamics involving people belonging to a community or a group that shares a certain need or aim and they must maintain such a dimension (Borzaga & Defourny, 2001).

Social enterprises must also express a decision-making power not based on capital ownership. This means that one person should only have one vote and the voting power should not be distributed according to capital shares on the governing body which has the ultimate decision-making rights. Although the capital owners are important in social enterprises, the decision-making rights must be shared with other stakeholders (Welter and Smallbone (2011)).

The eighth characteristic of social enterprise is a participatory nature which involves the people affected by the activities. This implies representation and participation of customers, stakeholder orientation and a democratic management style must be considered as important characteristics of social enterprises. Social enterprises must strive to further democracy at the local level through economic activity which empowers the community (Borzaga & Defourny, 2001).

The ninth and final characteristic of social enterprise cited by Borzaga and Defourny (2001) is limited profit distribution. Social enterprises include organizations that are characterised by a total non-distribution constraint and organizations like cooperatives that can distribute profit but to a limited extent as a way of controlling profit-maximization behaviour. These characteristics that mark the definition of social enterprises are the very reason for the sustainability challenges facing social enterprises.

2.2.2 Sustainability of Social Enterprises

Sustainability means the ability of a social enterprise endure or meet most if not all of its operational costs (Blewitt, 2008). According to Visser et al., (2007), it is the ability to maintain a certain status or process in existing systems. Sustainability is of intricate importance in any social enterprise. In the attempt to achieve its goals and mission, a social enterprise has to reconcile different responsibilities, objectives and agenda. The way in which these issues are handled affects the sustainability of the project by either fostering good working relationships between all those involved or alienating individuals and organizations. Sustainability is easily achieved when all stakeholders are involved and they feel that their concerns are being addressed.

Every social enterprise has to find a common ground so that each group can achieve what they need or want which often proves very difficult. The key people involved in a project need a pragmatic approach to meeting their own agenda but the aims and objectives have to be prioritized. Those involved must be sincere enough to accept the fact that not all can always be met or achieved (Pattiniemi, 2006).

According to Welter and Smallbone (2011), individual entrepreneurial behavior makes the entrepreneurship characteristics to change directly proportional to the influences the nature, pace of development, decision-making ability and extent of entrepreneurship. This can be particularly apparent in challenging environments such as emerging market and transition economies with uncertain, ambiguous and turbulent environments.

2.2.3 Factors Influencing Sustainability of Social Enterprises within Church

Organizations

There are several factors that influence the sustainability of a social enterprise. These include management, financial resources, project design and community attitude among others. According to the Plunkett Foundation (2010), the factors influencing sustainability of a social enterprise include lack of shared commitment, people centredness, unclear objectives, poor governance, poor leadership, lack flexibility and responsiveness, inconsistency of purpose, credibility challenges, lose of membership and entrepreneurial innovativeness. It must however be acknowledged that is quite difficult for a social enterprise to move from a grant based enterprise to a self sustaining social enterprise capable of generating at least some of its income through trading.

a) Management

The management provides professional support which plays critical roles in social enterprises, all of which require trust and good working relationships with all the stakeholders. A social enterprise should have a lean, competent, efficient and effective management who understand the vision and mission of the social enterprise properly. In order to establish good rapport, the management needs time, resources and authority to invest in a project. Flexibility in management is critical in the way the management interprets their roles and roles of other stakeholders in the activities they and the projects undertake. Social enterprises often require multi-disciplinary working which often means that professional boundaries may be crossed. This flexibility is however challenged by the poor and unclear legislative and regulatory environment, the difficulty of re-securing management expertise and support and quality assurance (Borzaga & Defourny, 2001).

The management should be open to training as people have to acquire new skills and expertise to meet emerging challenges. They take on new roles and responsibilities and these have to be recognized as legitimate. The management should work constructively with communities so that they are viewed as part of the solution and not only as the problem. Upgrading of skills and jobs improves the quality of human resource which in turn translates to high quality service to the community (Borzaga & Defourny, 2001). This requires time and trust and such virtues as patience and understanding elements have to be incorporated into management's job descriptions. It is also prudent that the management sets realistic targets and timetables that are achievable.

Leadbeater (2007) contends that ethical management is crucial in establishing credibility in a social enterprise. This is in line with Borzaga and Defourny (2001) who also cite the need to establish adequate governance structures in the social enterprise. There should be transparency, accountability and effective communication so as to enhance mutual trust between the various stakeholders such as the donor(s), managers, employees, volunteers and the community. It has to be plausible in terms of ideas and activities, structure and organization, by all those who come in contact with it for credibility and funding.

The numerous sustainability-related challenges necessitate the presence one or more dynamic individuals within the management or community members so as to generate enthusiasm and support. This may be motivational to the stakeholders even when the social enterprise is facing hard times. In order to maintain interest and support, projects management must be responsive to the changing agendas and needs of users, volunteers and professionals. This requires addressing local needs and all the stakeholders (Pattiniemi, 2006).

As a way of reducing the operational costs and expanding the social enterprise, it is essential that the management embraces networking or building partnerships with other like-minded partners and organizations (Borzaga & Defourny, 2001). This establishes a wider base that is supportive to the sustainability of the enterprise. Networking enhances sustainability as through it enterprises support and learn from each other, and are able to exploit others' agendas for new funding opportunities. Local networks provide opportunities for regular, practical support tailored to local issues and needs. Volunteers, paid workers and professionals all initiate, maintain and value these connections. The links may be used by professionals for training purposes or for contacting other projects of a similar nature.

b) Financial Resources

Secure funding is a critical factor in determining whether a project is sustainable. Various studies suggest that social enterprises need money to help them set up and funding to cover operational costs. Some studies show that many projects find funding for running costs very difficult to obtain as most of them are non-profit making organizations. This has forced projects to constantly reinvent themselves so that they qualify again for set-up funding while other projects get trapped in this cycle consequently wasting much time and hindering the natural development of the project. Self-financing is difficult and the financial structure tends to be under-capitalized, legislations and their nature also make traditional bankers and funding institutions challenged to analyze and interpret and consequently, hesitant to fund them. This calls for the development of a collective structure to re-finance start-ups and growth processes as a way of fostering the development of social enterprises (Borzaga & Defourny, 2001).

According to Pattiniemi (2006), the necessity of financial resources is due to the fact that local community projects take time to set up and to become established. Unless social enterprises are keen and fast in studying the external environments of their enterprises their funding may run out before they are establish or accomplish their intended goals. While it is important that funding should be available to new projects, existing projects also require financial support. This is against the challenge of reducing donor funding which has made some projects to stall and others to stagger. The challenge to the current funding system is to find a way to reward success by continuing some level of funding rather than penalize it by stopping or reducing funding.

c) Project Design

Most scholars in their studies have pointed out that top-bottom project designs that do not actively involve the local community right from the beginning have very more sustainability challenges than bottom-up approaches that do so. This is based on the community sense of belongingness which induces community sense of ownership.

d) Community Attitude/involvement

The bottom of the pyramid approach is quite pivotal in establishing a positive community attitude that is favourable for project establishment, growth and success through genuine involvement of local people as active participants and equal partners whose concerns and experience are intrinsic to the success of the project. The level of community support determines whether a social enterprise becomes established, successfully consolidates, and responds and adapts to meet changing needs. It is therefore important that the involvement of the local communities starts at the planning stage, when decisions are being made about what type of project is required (Plunkett Foundation, 2010).

According to Leadbeater (2007), it is the community attitude and involvement that creates a sense of ownership of the social enterprise. The community attitude can be enhanced through shared ownership. Where project ownership is exclusive, those in control are less likely to respond positively to the needs and ideas of the wider group and consequently have a long term impact on project sustainability. It has been noted that most projects 'owned' by an individual or clique almost invariably experience personality clashes and disintegrate if not all stakeholders' interests are kept in mind.

2.2.4 Measuring Success in Social Enterprises

The success of social enterprises can be challenging to measure due the difficulty in quantifying the social value. Social enterprises can help to overcome social isolation, give people a sense of worth, increase feelings of well being, raise the levels of skills and training, enable individuals to take more control of their own health, education and socio-economic welfare, as well as improving the living standard. These contribute in raising social capital and should not be overlooked when measuring their success. Although this has been somehow touched by Kaplan and Norton (2008) in their creation of new Balanced Scorecard in the area of performance management systems, it has not been fully developed to measure social enterprises. In this study, the sustainability of social enterprises shall be measured by the increase in the number of branches, the duration of existence of the social enterprise, increase in the number of employees and increase in the volume of work/service rendered by the social enterprise among others.

2.2.5 Strategies for the Mitigation of the Factors Influencing Sustainability of Social Enterprises within Church Organizations

Various scholars of social enterprise and Corporate Social Responsibility have come up with different strategies to mitigate sustainability related challenges facing social enterprises. These mitigation strategies include development of sustainability strategy, impact assessments which could be transformational, social development and environmental among others (Pauline et al., 1999).

The factors influencing sustainability of a social enterprise as cited by the Plunkett Foundation (2010) can be leveraged by shared commitment, people centredness, clarity of objectives, effective governance, leadership, flexibility and responsiveness, consistency of purpose, maintaining membership and entrepreneurial and innovativeness. It must however be acknowledged that is quite difficult for a social enterprise to move from a grant based enterprise to a self sustaining social enterprise capable of generating at least some of its income through trading.

2.2.6 Importance of Social Enterprises

According to Laville and Nyssens in Borzaga and Defourny (2001), social enterprises serve the community, raise social capital which reduces production costs and promote democratization, reduce transactions costs, mobilize and reproduce a specific form of social capital, activate various means of distribution of goods and services, create employment just to mention but a few. This in a way summarizes the general roles of the social enterprises.

2.3 Theoretical Framework

This study is based on the traits theory which states that there are various traits whose combination can make social entrepreneurship quite successful. The traits approach is an amalgamation of diverse views and theories raised by various scholars of entrepreneurship. The traits approach believes that the combination of different traits such as management, organizational resources, good organizational culture, organizational structure/design and stakeholder attitude/involvement in the entrepreneur can play a critical role in the success of an enterprise. This is presented in the views of a few scholars here below.

2.3.1 Frank Knight's Risk Bearing Theory

This is the main theory of entrepreneurship in the early 20th century that was developed by Frank Knight in his risk, uncertainty and profit (Knight, 1942). An important contribution of Knight was to recognize the distinction between risk and uncertainty. The latter is uninsurable since it relates to unique events, for example, a shift in consumer taste. According to Knight, the main function of the social entrepreneur is to assume the uncertainty related to these events, thereby shielding all other stakeholders against it. That is, the social entrepreneur exercises judgment over these unique situations, the uncertainty in the economy, and functions as an insurance agent.

Knight (1921) first introduced the dimension of risk-taking as a central characteristic of entrepreneurship. He adopts the theory of early economists such as Cantillon (1959) and Say (2001), and adds the dimension of risk-taking. This theory considers uncertainty as a factor of production, and holds the main function of the entrepreneur as acting in anticipation of value creation. The entrepreneur earns profit as a reward for such risks.

Knight explicitly argues that entrepreneurs are owners of business ventures, residual claimants, and thus receive profits. In order to earn a positive profit, the entrepreneur carries out three tasks. These three tasks include initiation of useful changes or innovations, adaptation to changes in the economic environment and assumption of the consequences of uncertainty related to the company.

Knight explains that the uncertainty arises as it is either the very entrepreneur who creates the uncertainty by innovating, or that uncertainty arises as exogenous factors to the company. In either case, the principle role of the entrepreneur is to assume the consequences of the uncertainty (Knight, 1942). Knight's entrepreneur, in his role of a business owner, can most easily be reconciled with neo-classical theory. However, when describing the entrepreneurial tasks in his later contribution, Knight moves beyond what is typically part of a neo-classical theory of business owners by emphasizing that the entrepreneur is more than a passive optimizing agent. This could be a consequence of the fact that a passive optimizing firm owner would receive zero profit in a competitive setup, leaving a very limited role for the original Knightian entrepreneur (Baumol, 1968).

2.3.2 Alfred Marshall's Theory

Marshall in his *Principles of Economics* (1890) held land, labor, capital, and organization as the four factors of production, and considered entrepreneurship as the driving factor that brings these four factors together. He suggested that the characteristics of a successful entrepreneur include: thorough understanding of the industry, good leadership skills, foresight on demand and supply changes and the willingness to act on such risky foresights. He argued that for any entrepreneur to progress in his efforts, he must possess all these entrepreneurial characteristics.

2.3.3 Max Webber's Sociological Theory

The sociological theory of entrepreneurship holds that social cultures are the driving force of entrepreneurship. The entrepreneur becomes a role performer in conformity with the role expectations of the society, and such role expectations base on religious beliefs, taboos, and customs. Webber (1978) held religion as the major driver of entrepreneurship, and stressed on the spirit of capitalism, which highlights economic freedom and private enterprise. Capitalism thrives under the protestant work ethic that harps on these values. Success requires discipline and adventurous free-spirit.

2.3.4 Mark Casson's Economic Theory

Casson (2003) holds that entrepreneurship is a result of conducive economic conditions. In his book "Entrepreneurship, an Economic theory" he states that the demand for entrepreneurship arises from the demand for change. Economic factors that encourage or discourage entrepreneurship include: Taxation and industrial policy, availability of raw materials, access to finance on favorable terms, access to information on market conditions, availability of technology and infrastructure and marketing opportunities. Casson (2003) argued that all of these factors limit social enterprises as well as the execution of viable business ideas.

2.3.5 Joseph Schumpeter's innovation Theory

Schumpeter (1949) holds an entrepreneur as one having three major characteristics: innovation, foresight, and creativity. According to Borzaga and Defourny (2001), Schumpeter argued that entrepreneurship takes place when the entrepreneur: creates or develop a new business idea or product, introduces a new way to make a product or execute the idea, discovers a new market niche for a product, finds a new source of raw material and also when he finds a new way of making things or organization. Schumpeter's innovation theory ignores the entrepreneur's risk taking ability and organizational skills, and place undue importance on innovation. This theory applies to large-scale businesses, but economic conditions force small entrepreneurs to imitate rather than innovate. Other economists have added a dimension to imitating and adapting to innovation. This entails successful imitation by adapting a product to a niche in a better way than the original product innovators innovated (Schumpeter, 1949, p. 66).

Schumpeter (1949) emphasized the role of innovation in entrepreneurship and opposed the existing views of the entrepreneur as a risk bearer and a manager of a company. The entrepreneurial task is thus to identify new combinations and react to these by exercising the leadership to profit from them. The entrepreneur is not necessarily the one who invents new combinations but the one who identifies how these new combinations can be applied in production (Schumpeter, 1949). This line of reasoning implies that a business owner is considered an entrepreneur only if he is carrying out new combinations.

According to Kuehl and Lambing (1997), Schumpeter's characteristics of an entrepreneur include self esteem, determination, persistence, willingness ability to take calculated risks, optimism, creativity focus, foresight/insight and responsibility.

2.3.6 Israel Kirzner's Theory

Kirzner (1997) holds spontaneous learning and alertness as the two major characteristics of entrepreneurship, and perceives entrepreneurship as the transformation of spontaneous learning to conscious knowledge, motivated by the prospects of some gain. Kirzner considers the alertness to recognize opportunity more characteristic than innovation in defining entrepreneurship. The entrepreneur either remedies ignorance or corrects errors of the customers. This entrepreneurship model holds the entrepreneur as sub-consciously discovering an opportunity to earn money by buying resources or producing a good, and selling it, entrepreneur financing the venture by borrowing money from a capitalist. In Kirzner's view, the entrepreneur should use the funds for his entrepreneurial venture to pay back the capitalist, including interest, and retain the entrepreneurial profit (Kirzner, 1997).

2.3.7 Leibenstein's Theory of Entrepreneurship

Leibenstein (1968) consider entrepreneur as gap-fillers. He argued that the three traits of entrepreneurship include recognizing market trends and strategic locations for value creation, develop new goods or processes in demands but not in supply and finally determine profitable activities. He concluded that entrepreneurs have the special ability to connect different markets and make up for market failures and deficiencies.

2.3.8 Peter Drucker's Theory

Drucker (1970) holds innovation, resources, and an entrepreneurial behavior as the keys to entrepreneurship. According to him, entrepreneurship involves increase in value or satisfaction to the customer from the resource, creation of new values and combination of existing materials or resources in a new productive combination. The main difference between Knight's and Schumpeter's views on entrepreneurial activity is their view on uncertainty. Knight argues that the key role of the entrepreneur is to assume uncertainty in accordance with the Cantillonian theory. Schumpeter, on the other hand, leaves the uncertainty-bearing to the banker or capitalist. This implies that Schumpeterian entrepreneurship can arise in an economy without uncertainty and it may be argued that such an entrepreneur is the agent that creates this uncertainty (Hebert & Link, 1988).

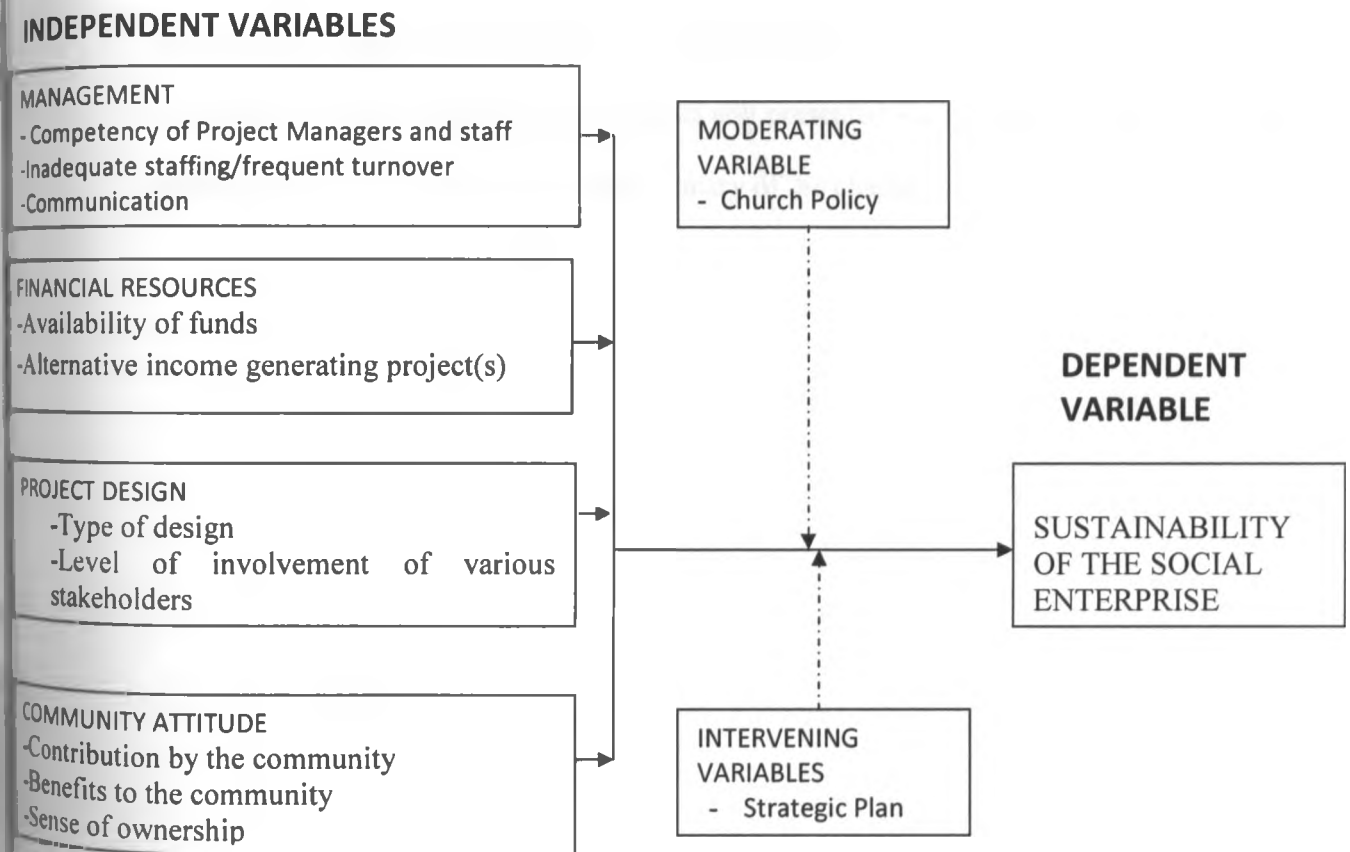
According to Shane and Venkataraman (2000), entrepreneurship theories involve two phenomena: the presence of lucrative opportunities and the presence of enterprising individuals. Their theory is inspired by the Kirznerian entrepreneurial discovery process but they emphasize that prior information is needed to complement the new information. This is similar to Schultz who argues that human capital is an important entrepreneurial ability. Casson (2003) marries the Schumpeterian and Knightian definitions stating that entrepreneurs are individuals who specialize in decision making. The Schumpeterian entrepreneur applies information about inventions to create new combinations and decides their profitability. The Knightian entrepreneur assesses the unique situations arising in the future and makes decisions about how to exploit them to make a profit.

These theories in the traits approach coupled with literature on social enterprises formed the basis for the formulation of the conceptual framework in this study.

2.4 Conceptual Framework

The conceptual framework that guides this study was constructed from three independent variables; donor funding, community involvement (contribution), alternative income generating projects while the dependent variable was sustainable social enterprise. These were related through moderating variables such as knowledge of the source and conditions of donor funding, leadership style and succession planning.

Figure 1: Conceptual Framework



This was what the research design and methodology helped in finding out in this study as a way of investigating the factors influencing the sustainability of social enterprises within Church organizations: a case of the Catholic diocese of Nairobi.

2.5 Knowledge Gap

The knowledge gap identified in this study was essentially a gap between theory and practice in that although social enterprises should be initiated with sustainability in mind, most social enterprises have been cited as unsustainable. This posed the challenge on the relevance of sustainability as a component in the understanding of social enterprises.

2.6 Summary

This second chapter of the study reviewed various literature on social enterprises with special regard to their meaning, characteristics, factors affecting their sustainability. The chapter also conducted a theoretical review of the traits theory of social entrepreneurship as argued by various scholars and theorists and presented the conceptual framework that guided the study, knowledge gap and summary of the chapter.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter consists of a detailed discussion of research design, target population, sample and sampling procedure, methods of data collection, validity and reliability of the data collection instruments, operational definition of variables and methods of data analysis.

3.2 Research Design

The research was a triangulation of both qualitative and quantitative approaches to research. The study employed descriptive survey design in analyzing the factors influencing sustainability of social enterprises within church organizations: a case of Catholic Diocese of Nairobi. The choice of the design was due to James and Sally (2001) assertion that a descriptive survey research method is used in order to obtain accurate information for large numbers of people with a small sample to explore relationships between variables because it allows generalizations across the population (Kerlinger, 1973). The study collected data from the social enterprises through members of a population and documents that shall be provided and also their knowledge and attitudes on the factors influencing the sustainability of social enterprises. The qualitative approach entailed collecting in-depth data from key respondents to get a better understanding of the dynamics of social enterprises.

3.3 Target Population

The target population was all the 73 social enterprises within the Catholic Church in the Catholic Diocese of Nairobi. The Catholic Church was chosen because of its heavy involvement in meeting the needs of the vulnerable members of the society through social enterprises. The choice was also based on accessibility reasons as well as the fact that the researcher is an employee of the Catholic Church with good understanding of their policies and way of doing things. The objectivity was assured as it was the genuine concern on the collapse of various church-run social enterprises that has driven the researcher to conduct this study. The target population consisted of all managers and senior employees of social enterprises within church organizations in the Catholic Diocese of Nairobi. They were targeted because the study focuses on respondents who were able to provide an overall understanding of social enterprises within the Catholic Church and could be acquainted with the sustainability challenges facing such enterprises and possible solutions. The respondents were project directors and management staff of social enterprises under the Catholic Diocese of Nairobi.

3.4 Sample and Sampling Procedure

The Catholic Diocese of Nairobi is a Metropolitan diocese with people of various nationalities, from all over the country and with various socio-economic statuses. It has a population of 73 social enterprises some owned by missionary and religious congregations while others are owned by the local Church (the Diocese of Nairobi itself) as a way of meeting the needs of the urban poor. Each of the 73 social enterprises has 5 to 15 managers and senior staff that form the target for this study.

The diocese is headquartered at the Holy Family Basilica a short distance from the Kenyatta International Conference Center (KICC) and the Parliament of Kenya.

Due to time and financial resource limitations, only 7 social enterprises constituting 10% of the total population was selected in line with Kothari (2004) who recommends that 10% is representative enough for a descriptive study. On the same line, 30% of the managers and senior staff were selected in line with Kasomo (2007) through simple random sampling and purposive sampling in the case of project directors and project managers to represent the other members of each of the sampled social enterprise for high quality information due to their possibly high level of knowledge of the situations of the social enterprises. This was a population of 150 senior managers and staff and a sample of 44 senior managers and staff as tabulated in the sampling matrix below.

Table 3.1: Sampling Frame

Social Enterprise	Population of Senior managers and Senior Staff	Sampled Percentage (%)	Sampled No.
Social Enterprises	73	10	7
Social Enterprise 1	30	30	9
Social Enterprise 2	22	30	7
Social Enterprise 3	26	30	8
Social Enterprise 4	18	30	5
Social Enterprise 5	28	30	8
Social Enterprise 6	10	30	3
Social Enterprise 7	16	30	5
Total Sample	150	30	44

(Source: Catholic Secretariat, 2012)

3.5 Methods of Data Collection

In this study, there were two types of data that will be collected; primary data and secondary data. These were explained here below:

3.5.1 Primary Data

The methods of collecting primary data were through the use of questionnaires, observation and interviews. These methods were as discussed here below.

(a) The Questionnaire

This is a group of printed questions which will be deliberately designed and structured to gather predominantly quantitative information from respondents. They were administered to each of the members of the sampled management staff except the project managers and project directors who will be interviewed instead. This method was preferred because it is faster and easy to administer thus makes it possible to reach many people. It was also standardized and gave a greater feeling of being anonymous.

The questionnaire for the management staff was divided into six sections. Section one of this questionnaire dealt with background information of the management staff while section two dealt with information on how the management of a social enterprise influences the sustainability of social enterprises within Church organizations in Kenya. Section three dealt with the extent to which the financial resources influence the sustainability of the social enterprises within Church organizations and section four dealt with how the project design influences the sustainability of the goals of the social enterprise. Section five dealt with the relationship between community attitude and sustainability of a social enterprise within Church organizations and section six on sustainability of the social enterprises within Church organizations.

(b) Interview Schedule

Interviews were administered to project managers and project directors who are directly involved in the highest management activities of the social enterprises in order to obtain information directly from individuals. They responded to pre-determined set of questions asked by the researcher. The structured interview guide was systematically developed and pre-tested on a small number of people drawn from the target population so that any ambiguities or biases in the way questions shall be identified and corrected in advance. This method gave accurate and reliable information since it is believed that the interviewees were willing to respond and have first hand knowledge of the social enterprises. Grey areas were easily clarified and eye contact maintained (Byrne, 2001). The interview guide, which dealt with majorly both qualitative and quantitative information, had a similar structure to that of the questionnaire.

3.5.2 Secondary Data

These data were collected from past records in the organizations, textbooks, quarterly and annual reports and the internet. Information recorded in quarterly reports in form of financial reports and other reports gave appropriate reliable information. It was hoped that this information would be readily available from the various social enterprises that constitute the sample for this study, Nairobi University library, Ministry of Education, and other Libraries within Nairobi. The information gathered was objective, easy to review and with minimal reactive effect.

3.6 Validity and Reliability

This section dealt with the validity and reliability of the research instruments and how they will be tested.

3.6.1 Validity

The validity of an instrument is the extent to which it measures what it is intended to measure (Coolican, 1996). This study measured construct and content validity. To strengthen content validity, the researcher used methods and variable metrics that have been used by other researchers (Blackman, 2003; Kotey, 1994) and that have been proven to measure the variables of the research (Hager, 2000).

Content validity was further be enhanced by the correlation of the empirical evidence in the literature review with the results that these measures produced. Sensitivity of the instruments was checked by ensuring variability of the responses is measured through multiple and dichotomous responses.

3.6.2 Reliability

According to Orodho (2005), reliability of the instrument is the degree to which a particular measuring procedure gives similar results at any given time it is repeated. Ogula (1995) defines reliability as the measure of degree to which a research instrument yields consistent results or data after repeated trials.

In order to test internal consistency of reliability of the instruments in this study, the researcher used Cronchbach's alpha in which a score of 0. 7 and above was considered satisfactory (Joppe in Golafshani, 2003).

The researcher also gave the questionnaires to a few subjects identical to the ones sampled for the study through test retest method.

3.7 Operational Definition of Variables

The operationalisation of the concepts consisted of both objective and subjective measures. Indicators have been denoted by the main variables under the study in order to render them measurable as shown in table 3.2 below.

Table 3.2 Operational Definition of Variables

VARIABLE	INDICATORS	MEASURE	MEASUREMENT	TYPE OF ANALYSIS
Sustainability of the Social Enterprise	<ul style="list-style-type: none"> - Financial Success - Goals' Success - Continuity Success 	Dimension of sustainability	Nominal	Descriptive
Management	<ul style="list-style-type: none"> - Staffing - Competence and commitment to project 	How many Level of competence	Nominal Ordinal	Descriptive
Financial Resources	<ul style="list-style-type: none"> - Availability of funds - Alternative income generating project(s) 	Efficiency and effectiveness of the structures	Nominal Ordinal	Descriptive
Project Design	<ul style="list-style-type: none"> - Type of design - level of involvement of various stakeholders 	Which design Stage of commencement of involvement	Nominal	Descriptive
Community Attitude	<ul style="list-style-type: none"> - Contribution by the community - Benefits to the community - Sense of ownership 	Percentage contribution How many	Nominal	Descriptive
Church Policy	<ul style="list-style-type: none"> - Strong donor collaboration and support - Level of adherence to the intention of the donors 	Percentage Ordinal	Nominal	Descriptive
Strategic Plan	<ul style="list-style-type: none"> - Effective project planning and implementation 	Highest level	Nominal	Descriptive

3.8 Methods of Data Analysis

The raw data collected from the questionnaires was cleaned and edited to eliminate errors and any omissions were put in place. All the questionnaires were checked to confirm whether all questions had been answered properly and for accuracy and consistency then coded. The quantitative data variables were keyed onto Statistical Package for Social Sciences software version 17 for analysis. The output was presented using descriptive statistics and the data summarized in form of frequency tables. Multiple regression by least squares method, chi square and spearman's rank order correlation was be used to test the ratio data for any existing relationship(s).

The qualitative data was recorded in note books, thematically analyzed through content analysis to determine the adequacy of the information (Mugenda & Mugenda, 1999) and presented in narration form. The hypotheses was tested using multinomial logistic in which the model fits, pseudo-R Square for Cox and Snell, Nagelkerke and McFadden were noted as well as likelihood Ratio tests and parameter estimates using 95% confidence level with an alpha (α) value of 0.05. This played a critical role in assessing them in line with the objectives of the study.

3.9 Summary

The study of social enterprises within the Catholic Diocese of Nairobi, Kenya was ideal for descriptive survey design and targeted knowledgeable members of the sampled social enterprises were quite handy in obtaining high quality information on the factors affecting sustainability of social enterprises within the Church. This was conducted on 10% of the social enterprises in Nairobi Catholic Diocese and 30% of all the management and senior staff in the sampled social enterprises. Simple random sampling and purposive sampling were employed and the data was collected using questionnaires, observation and interviews. The data collected was analyzed using SPSS and the resulting frequencies and percentages presented through tables, graphs and pie charts.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter analyzes data and presents, and interprets the findings in line with the research questions. The study presents the findings in frequency tables, pie charts and bar charts. The response rate for the social enterprises under study on all the 7 social enterprises was 37 out of the 44 respondents from the social enterprises within church organizations that participated in the study resulting to a questionnaire return rate of 84.1%. Some respondents declined participating in the study due to undisclosed reasons and owing to their freedom to participate or not, the researcher could not force them to be part of this study. The analysis commenced with the demographic information then proceeded to the responses to the research questions that guided the study.

4.2 Demographic Information

The demographic information in this study included the duty station, rank/designation, academic qualification, professional qualification, gender of the respondents and the duration the respondents have worked in the various social enterprises.

Table 4.1: Duty Station of the Respondents

	Frequency	Percent
Headquarters	28	80.0
Regional Office	7	20.0
Total	35	100.0

Due to the small sizes of the Social enterprise (SE), the respondents were either based at the headquarters, or at the regional offices.

As most SEs had only one branch 80% of the respondents were stationed at the headquarters. The headquarters dominated because most social enterprises had only one branch.

Table 4.2: Rank/Designation of the Respondents

	Frequency	Percent
Head of Tailoring	2	5.4
Head of Hairdressing & Beauty	3	8.1
Head of Electricals	2	5.4
Head of Social Work	3	8.1
Social Worker	3	8.1
Administrator	24	64.9
Total	37	100.0

The designation of the respondents were varied and included heads of departments such as heads of tailoring, heads of hairdressing and beauty, heads of electrical, heads of social work, social workers and administrators with the lowest represented designation having 5.4% and the highest represented rank having 64.9%.

Administrators were the higher as they were the ones concerned with most managerial activities such as coordination and human resource management issues. The various departments were representative enough of the departments under the sampled social enterprises within Church organizations and gave enriching diversity in their answers.

4.3 Academic Qualification of the respondents

	Frequency	Percent
Tertiary college	7	18.9
Undergraduate	22	59.5
Masters	8	21.6
Total	37	100.0

Although the levels of the social enterprises under study were still at the growth stage, it was commendable that those at the various managerial/ administrative positions had qualifications ranging from tertiary education level for the trades and crafts to masters level. This showed their desire for competence and quality in their social enterprises. Majority (59.5%) had undergraduate level of education while 21.6% had masters level of education and 18.9% had tertiary level of education.

4.4: Professional Qualification of the respondents

	Frequency	Percent	Valid Percent
Electrician	2	5.4	5.7
Accounting	4	10.8	11.4
Social work	8	21.6	22.9
Teaching	8	21.6	22.9
Hair Dresser/saloonist	3	8.1	8.6
Tailor	2	5.4	5.7
Nursing	4	10.8	11.4
Art and Design	4	10.8	11.4
Total	35	94.6	100.0
Missing	2	5.4	
Total	37	100.0	

The management staff at the various social enterprises had mixed professional qualifications such as teachers (21.6)%, social workers (21.6%), accountants (10.8%), Nurses (10.8%), Art and Designers (10.8)%, hair dressers/saloonists (8.1)%, electricians (5.4%) and tailors (5.4%).

Two respondents constituting 5.4% did not however indicate their professional qualifications as shown by the missing values column. The varied professional qualifications attested to how professionals from various fields understand social enterprises and the factors such as management, financial resources, project design and community attitude that affect sustainability of social enterprises.

Table 4.5: Gender of the respondents

		Frequency	Percent	Valid Percent
	Male	15	40.5	42.9
	Female	20	54.1	57.1
	Total	35	94.6	100.0
Missing	System	2	5.4	
Total		37	100.0	

The composition of the sample in terms of gender was positive as it was an almost fifty-fifty balance between the members of either gender with the female being 10.9% more than their male counterparts. This proved that the social enterprises within Church organizations were setting the pace for the gender inclusion and affirmative action towards the female gender in line with the New Kenyan Constitution. It was surprising that 5.4% of the respondents failed to indicate their gender.

Table 4.6: Duration the respondent has worked in the social enterprise

	Frequency	Percent
0-3 Years	19	51.4
4-7 Years	18	48.6
Total	37	100.0

The span of respondents' work in the various social enterprises was almost uniformly spread between 0-3 years and 4-7 years. This was due to the 51.4% who had worked in the social enterprises for between 0-3 years and 48.6% who had worked for between 4-7 years. This was somehow dependent with the ages of the social enterprises in question. The duration of working in the social enterprise gave an assurance of the respondents' understanding of the social enterprise environment as well as the factors that affect their respective social enterprises.

4.3 Responses to the Research Questions

4.3.1 How management influences the sustainability of the social enterprise within Church organizations

Table 4.7: Whether management influences sustainability of social enterprises within church organisations

	Frequency	Percent
Yes	30	81.1
No	7	18.9
Total	37	100.0

When asked whether the management of a social enterprise could influence the sustainability of the social enterprise, 81.1% of the respondents responded to the affirmative.

The findings show how weighty the management of a social enterprise is in shaping the sustainability strategies as the social enterprise strives towards the fulfillment of its vision, mission and objectives. This calls for careful selection and recruitment of managers of such enterprises.

Table 4.8: The direction in which management influences sustainability of social enterprises within church organisation

	Frequency	Percent
Positive direction	29	78.4
Negative direction	8	21.6
Total	37	100.0

The importance of management in determining the sustainability of a social enterprise was seen to have a possibility of taking either positive or negative direction. Based on the social enterprises under study although they asserted that proper and competent management would make an organization more sustainable as shown by the 78.4%, some 21.6% saw that it could take a negative direction due to high salaries. In the employment of competent management, it would be necessary to ensure the management produce more than they consume in salaries and other fixed and overhead costs.

Table 4.9: Whether the direction in which management influences sustainability of social enterprises can be reversed

	Frequency	Percent
Yes	14	37.8
No	23	62.2
Total	37	100.0

Opinions were divided on whether the management can influence the change in the direction of sustainability of the social enterprise. While 37.8% of the respondents said Yes, 62.2% said that was an impossibility.

This is arguable based on the competence of the management, the management/leadership style alongside many other factors some of which have been tackled in this study.

4.3.2 The extent to which the financial resources influence the sustainability of the social enterprise within Church organizations

Table 4.10: Whether financial resources influence sustainability of social enterprises in church organisations

	Frequency	Percent
Yes	34	91.9
No	3	8.1
Total	37	100.0

The question on whether financial resources influence sustainability of social enterprise almost received a unanimous answer with 91.9% asserting the affirmative which was very strong. Finances are very critical to any organization more so, in a social enterprise that are not profit oriented but oriented towards meeting the needs of the society.

Table 4.11: Extent at which financial resources influence sustainability of social enterprises in church organisations

	Frequency	Percent
Strongly agree	16	43.2
Agree	21	56.8
Total	37	100.0

The extent at which financial resources influence the sustainability of a social enterprise in Church organizations was seen as very high as shown by the 43.2% who chose strongly agree and 56.8% who chose agree. There was no sign of moderate, low or very low. This meant that if a social enterprise was purely donor funded, and financial resources were critical for its existence and sustainability, it had no option but to collapse or stall regardless of whether it had fulfilled the vision and mission of its founders.

Table 4.12: Whether reduction in financial resources influence sustainability of social enterprises within church organisations

	Frequency	Percent
Yes	34	91.9
No	3	8.1
Total	37	100.0

As slightly hinted above on the extent at which financial resources influence sustainability of social enterprises, 91.9% of the respondents re-affirmed that reduction in the financial resources had a direct impact on the sustainability of their respective social enterprises. This may have some relationship with the next time, that is, whether most of the respondents who argued this way had no alternative income generating activities in their social enterprises. Possibly, the 9.1% who saw no impact may have had alternative income generating activities in their organizations.

Table 4.13: Extent at which alternative income generating projects can influence sustainability of social enterprises in church organisations

	Frequency	Percent
To a very high extend	20	54.1
To a high extend	6	16.2
To a moderate extend	11	29.7
Total	37	100.0

In as much as this was a sensitive item in knowing to detail the benefits associated with alternative income generating activities in enhancing sustainability, the fact that some social enterprises did not have any income generating activity did not put them in a better position in answering this question. Regardless of this, the item still managed to score 70.3% which is a high extent by all standards.

This should be a pointer towards the necessity of establishing alternative income generating activities alongside the mainline donor-funded programmes/activities of the social enterprises for sustainability purposes in the long term. This could be handy in overcoming various storms and unexpected droughts but still depends on the percentage income that comes from alternative income generating activities.

Table 4.14: Whether respondents' social enterprise have an alternative income generating activity

	Frequency	Percent
Yes	27	73.0
No	10	27.0
Total	37	100.0

Out of the respondents sampled in this study, 73 had alternative income generating activities/projects in their social enterprises while 27% had not yet taken this safety precaution to insure themselves against the unexpected happenings in the world of donor funding. Managers of such enterprises need to wake up and build a strong foundation for the sustainability of their social enterprises.

Table 4.15: The percentage contribution that comes from the alternative income generating activity

	Frequency	Percent	Valid Percent
1-10	19	51.4	
11%-20%	8	21.6	29.6
Total	27	73.0	100.0
Missing System	10	27.0	
Total	37	100.0	

Regarding this item, 10 respondents constituting 27% did not respond. The findings noted that in the social enterprises that had alternative income generating activities, 70.4% obtained contributions ranging from 1-10% while 29.6% obtained between 11-20%. Such contributions increase over time and if ploughed back could yield another project of equal or greater magnitude.

4.3.3 The contribution of project design to the sustainability of the social enterprise within Church organizations

Table 4.16: Project design employed by the respondents' social enterprises

		Frequency	Percent	Valid Percent
	Donor-oriented/based up-down design	15	40.5	42.9
	Participative bottom-up design	10	27.0	28.6
	Integrated design	10	27.0	28.6
	Total	35	94.6	100.0
Missing	System	2	5.4	
Total		37	100.0	

It was unveiled that most social enterprises (42.9%) within Church organizations were using the donor-oriented design which was up-down. Only 28.6% were using the participative bottom-up design and another 28.6% the integrated model. This explains why some of the social enterprises were hesitant to embrace the alternative income generating activities. This calls for an immediate change of strategy for the 42.9% that are still using the donor-funded design. However, it was worth noting that 5.4% of the respondents in this study did not respond to this item of the questionnaire.

Table 4.17: Whether the project design employed by the respondents' social enterprise is the best

		Frequency	Percent	Valid Percent
	Yes	20	54.1	71.4
	No	8	21.6	28.6
	Total	28	75.7	100.0
Missing	System	9	24.3	
Total		37	100.0	

This item had a very high non-response (24.3%) possibly due to lack of adequate knowledge of the project designs and their consequent advantages and disadvantages.

When asked whether the project design employed by their social enterprises were the best, 54.1% were comfortable with their respective designs while 21.6% were not. Their choices were justified by the explanations in the following table.

Table 4.18: Explanation on whether the project design is the best or not for sustainability of social enterprise

	Frequency	Percent	Valid Percent
It is good for sustainability	16	43.2	57.1
It is fairly good for sustainability	6	16.2	21.4
It is not good for sustainability	6	16.2	21.4
Total	28	75.7	100.0
Missing System	9	24.3	
Total	37	100.0	

Most respondents (59.4%) chose their project designs because they were either good or fairly good for sustainability. Some (16.2%) criticized their designs due to their inability to inculcate sustainability culture in their social enterprises. Deeper analysis showed that respondents who chose the integrated model were comfortable than those who chose the participative design and donor-oriented design.

Table 4.19: The project design recommended by the respondents

	Frequency	Percent	Valid Percent
A more contributive/participative design	19	51.4	82.6
Partially funded-partially contributive design	2	5.4	8.7
Non-contributive approach	2	5.4	8.7
Total	23	62.2	100.0
Missing System	14	37.8	
Total	37	100.0	

Most respondents in this study (82.6%) preferred a more contributive/participative design to other designs while 8.7% each preferred the partially funded-partially contributive integrated model and non-contributive up-down design. Those who felt overburdened by the contributive/participatory approach seemed to have been looking for relief in the donor-oriented model while those in the donor-oriented model seemed to have been looking for some level of participation and involvement by their desire for increased participation/contribution.

4.3.4 The relationship between community attitude and the sustainability of the social enterprise within Church organizations.

Table 4.20: Whether community attitude has any relevance to sustainability of social enterprises in church organizations

	Frequency	Percent
Strongly agree	19	51.4
Agree	18	48.6
Total	37	100.0

This item intended to test the relevance of community attitude in the various social enterprises within Church organizations.

All the respondents in the study stated that community attitude was highly relevant to sustainability of social enterprise in Church organizations as attested to by the 51.4% who strongly agreed and 48.6% who agreed. This pointed out the basis for the choice of a more participatory project design.

Table 4.21: The relationship between community attitude and sustainability of social enterprises

	Frequency	Percent
Positive relationship	16	43.2
Negative relationship	21	56.8
Total	37	100.0

The relationship between community attitude and sustainability of the social enterprise was perceived by the respondents as almost fifty-fifty with those perceiving the relationship as negative being 13.6 more. This could be understood in the context of a very supportive and contributive community against a non-supportive draining, recipient community. This is highly determined by the project design and the attitude of the community towards work and social enterprises.

Table 4.22: Rating of the relationship between community attitude and sustainability of social enterprises within church organizations

	Frequency	Percent
Very strong	9	24.3
Strong	3	8.1
Average	25	67.6
Total	37	100.0

The rating of the relationship between the community and sustainability of the social enterprise was stated as averagely strong by the respondents as respondents who chose very strong who were 24.3% and those who chose strong who were 8.1%, were outnumbered by the 67.6% who chose averagely strong.

Although community attitude did not score as high as management, financial resources and project design, it is indispensable for sustainability of a social enterprise due to the contributions listed in the table below.

Table 4.23: The contribution of the local community

	Frequency	Percent
Human Resource and labour	14	37.8
Assets such as land	3	8.1
Cash contributions	2	5.4
None	18	48.6
Total	37	100.0

From the findings of the study, although 37% of the respondents said the local community made no contribution to their social enterprises, the contribution of the local community to the social enterprises in this study were diverse as shown by 37.8% of the respondents who pointed out that they contribute human resource and labour, 8.1% who stated that they contribute assets such as land and 5.4% who even received cash contributions from the local community. However little the contribution from the local community could be, its role in developing a sense of belongingness and appreciation of the social enterprise is highly desirable.

Table 4.24: Percentage contribution that comes from the local community in relation to capitalization

	Frequency	Percent	Valid Percent
1-10%	16	43.2	84.2
31-40	3	8.1	15.8
Total	19	51.4	100.0
Missing	System	18	48.6
Total	37	100.0	

For most social enterprises involved in this study the contribution of the local community in relation to their capitalization was significant. Apart from the 48.6% of the respondents whose local communities made no contributions, among those whose communities received some contributions, 84.2% received contributions ranging from 1-10% while 15.8% received contributions ranging from 31-40% of their capitalization. This could be translated to a shareholding by the local community ranging from 1% to 40% which is very strong and significant for the creation of sense of ownership and sustainability of the social enterprise.

Table 4.25: Number of employees of the social enterprise who are members of the local community

	Frequency	Percent	Valid Percent
1-5	2	5.4	10.5
6-10	10	27.0	52.6
11-15	7	18.9	36.8
Total	19	51.4	100.0
Missing	System	18	48.6
Total	37	100.0	

More than half (51.4%) of the social enterprise had employees who were members of the local community as 52.6 employed 6-10 from the local community, 36.8% employed 11-15 members of the community and 10.5% employed 1-5 members of the community. This was a contribution in improving their livelihood and living standards.

Table 4.26: Increase in the number of employees from the time the social enterprise began to date

	Frequency	Percent	Valid Percent
1-5	9	24.3	47.4
6-10	10	27.0	52.6
Total	19	51.4	100.0
Missing	System	18	48.6
Total	37	100.0	

Employee had increased in slightly more than half of the social enterprises that were sampled in this study. While 48.6% of the social enterprises had not employed more employees from the time of their inception, more than half of the social enterprises sampled in this study had grown in terms of the number of employees that they employed as 52.6% had increase by employing 6-10 more employees and 47.4% increase by employing 1-5 more employees. This played a key role in employment creation and provision of income alongside other benefits to the society.

Table 4.27: Increase in the volume of production from the time the social enterprise began to date

	Frequency	Percent	Valid Percent
0	2	5.4	12.5
1-10	7	18.9	43.8
41-50	7	18.9	43.8
Total	16	43.2	100.0
Missing	System	21	56.8
Total	37	100.0	

It was critical that 62.2% of the respondents accepted that their social enterprises had not increased in terms of volume of production. Among the few that had increased in their volume of production, 43.8% had increase by between 1-10% and another 43.8% had increased from by 41-50%. Such growth was a pointer towards sustainability.

Table 4.28: Increase in the number of branches from the time the social enterprise began to date

	Frequency	Percent	Valid Percent
0	14	37.8	73.7
2	2	5.4	10.5
3	3	8.1	15.8
Total	19	51.4	100.0
Missing	System	18	48.6
Total	37	100.0	

In terms expansion with regard to the number of new branches, 48.6% pointed out that their social enterprises did not respond to this question. Among those who responded, 73.7% said their social enterprise had not grown by any branch, 15.8% accepted that their enterprises had grown by 3 branches and 10.5% said that their enterprises grew by two new branches. This could be challenging as lack of growth could be interpreted as due to poor management, lack of stability, lack of growth initiatives, failure to take advantage of opportunities among many other reasons. This could be detrimental for the long term sustainability of the organization as an enterprise with many branches may easily let out or sell one or more for sustenance in cases of challenging times.

Statistical Tests for Hypotheses Testing

- i) **The management of social enterprises has no influence on the sustainability of social enterprises within Church organizations in Kenya when measured by staffing and competence of management and staff**

Model Fitting Information

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	35.893			
Final	.000	35.893	3	.000

Pseudo R-Square

Cox and Snell	.621
Nagelkerke	1.000
McFadden	1.000

Likelihood Ratio Tests

Effect	-2 Log Likelihood of Reduced Model	Chi-Square	df	Sig.
Intercept	.000 ^a	.000	0	.
QN7	.000 ^b	.	1	.
QLFCTN1	25.140	25.140	2	.000

The chi-square statistic is the difference in -2 log-likelihoods between the final model and a reduced model. The reduced model is formed by omitting an effect from the final model. The null hypothesis is that all parameters of that effect are 0.

- This reduced model is equivalent to the final model because omitting the effect does not increase the degrees of freedom.
- The log-likelihood values are approaching zero. There may be a complete separation in the data. The maximum likelihood estimates do not exist.

Parameter Estimates

Whether management influences sustainability of SE ^a		B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp(B)	
								Lower Bound	Upper Bound
Yes	Intercept	22.136	19898.464	.000	1	.999			
	QN7	-1.365	14915.602	.000	1	1.000	.255	.000	^b
	[QLFCTN1=3.00]	-40.658	.000		1		2.201E-18	2.201E-18	2.201E-18
	[QLFCTN1=4.00]	1.276	.000		1		3.583	3.583	3.583
	[QLFCTN1=5.00]	0 ^c			0				

a. The reference category is: No.

b. Floating point overflow occurred while computing this statistic. Its value is therefore set to system missing.

c. This parameter is set to zero because it is redundant.

- ii) **Financial stability has no direct link to the sustainability of the social enterprises within Church organizations when measured by availability of funds and alternative income generating project(s)**

Model Fitting Information

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	13.471			
Final	10.546	2.925	2	.232

Pseudo R-Square

Cox and Snell	.103
Nagelkerke	.117
McFadden	.052

Likelihood Ratio Tests

Effect	-2 Log Likelihood of Reduced Model	Chi-Square	df	Sig.
Intercept	10.546 ^a	.000	0	.
QN13	10.546 ^a	.000	0	.
QN14	13.471	2.925	2	.232
QN9	10.546 ^a	.000	0	.

The chi-square statistic is the difference in -2 log-likelihoods between the final model and a reduced model. The reduced model is formed by omitting an effect from the final model. The null hypothesis is that all parameters of that effect are 0.

- a. This reduced model is equivalent to the final model because omitting the effect does not increase the degrees of freedom.

Parameter Estimates

Extent at which alternative income generating projects influence sustainability of SE ^a		B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp(B)	
								Lower Bound	Upper Bound
To a very high extent	Intercept	2.716	1.454	3.491	1	.062			
	QN13	0 ^b	.	.	0	.	.	.	.
	QN14	-1.705	1.044	2.664	1	.103	.182	.023	1.408
	[QN9=1.00]	0 ^b	.	.	0	.	.	.	.
To a high extent	Intercept	.693	1.658	.175	1	.676			
	QN13	0 ^b	.	.	0	.	.	.	.
	QN14	-.693	1.118	.384	1	.535	.500	.056	4.473
	[QN9=1.00]	0 ^b	.	.	0	.	.	.	.

a. The reference category is: To a moderate extent.

b. This parameter is set to zero because it is redundant.

- iii) The project design has no impact on the sustainability of the social enterprises in their endeavor to meet their strategic plan when measured by type of design and level of involvement of various stakeholders

Model Fitting Information

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	21.170			
Final	.000	21.170	3	.000

Pseudo R-Square

Cox and Snell	.734
Nagelkerke	1.000
McFadden	1.000

Likelihood Ratio Tests

Effect	-2 Log Likelihood of Reduced Model	Chi-Square	df	Sig.
Intercept	.000 ^a	.000	0	
QN18	.000 ^b	.000	1	1.000
QN17	.000 ^b	.000	1	1.000
QN15	.000 ^b	.000	1	1.000

The chi-square statistic is the difference in -2 log-likelihoods between the final model and a reduced model. The reduced model is formed by omitting an effect from the final model. The null hypothesis is that all parameters of that effect are 0.

- This reduced model is equivalent to the final model because omitting the effect does not increase the degrees of freedom.
- The log-likelihood values are approaching zero. There may be a complete separation in the data. The maximum likelihood estimates do not exist.

Parameter Estimates

Whether the project design employed by respondents' SE is the best ^a		B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp(B)	
								Lower Bound	Upper Bound
Yes	Intercept	23.094	55376.660	.000	1	1.000			
	QN18	-.113	18388.837	.000	1	1.000	.894	.000	^b
	QN17	-1.126	16649.722	.000	1	1.000	.324	.000	^b
	[QN15=1.00]	-40.624	.000		1		2.276E-18	2.276E-18	2.276E-18
	[QN15=2.00]	0 ^c			0				

- The reference category is: No.
- Floating point overflow occurred while computing this statistic. Its value is therefore set to system missing.
- This parameter is set to zero because it is redundant.

iv) There is a no relationship between community attitude and the sustainability of social enterprises within Church organizations when measured by contribution by the community, benefits to the community and sense of ownership

Model Fitting Information

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	16.574			
Final	.000	16.574	3	.001

Pseudo R-Square

Cox and Snell	.582
Nagelkerke	1.000
McFadden	1.000

Likelihood Ratio Tests

Effect	-2 Log Likelihood of Reduced Model	Chi-Square	df	Sig.
Intercept	.000 ^a	.000	0	
QN22	.000 ^b	.000	1	1.000
QN23	12.351	12.351	1	.000
QN24	.000 ^b	.000	1	1.000
QN19	.000 ^a	.000	0	

The chi-square statistic is the difference in -2 log-likelihoods between the final model and a reduced model. The reduced model is formed by omitting an effect from the final model. The null hypothesis is that all parameters of that effect are 0.

- a. This reduced model is equivalent to the final model because omitting the effect does not increase the degrees of freedom.
- b. The log-likelihood values are approaching zero. There may be a complete separation in the data. The maximum likelihood estimates do not exist.

Parameter Estimates

Relationship between community attitude and sustainability of SE		B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp(B)	
								Lower Bound	Upper Bound
Positive relationship	Intercept	37.158	.000		1				
	QN22	.000	15292.874	.000	1	1.000	1.000	.000	^b
	QN23	-15.208	.000		1		2.484E-07	2.484E-07	2.484E-07
	QN24	.000	9160.860	.000	1	1.000	1.000	.000	^b
	[QN19=1.00]	0 ^c				0			

- a. The reference category is: Negative relationship.
- b. Floating point overflow occurred while computing this statistic. Its value is therefore set to system missing.
- c. This parameter is set to zero because it is redundant.

v) Overall Analysis

Model Fitting Information

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	21.930			
Final	.000	21.930	4	.000

Pseudo R-Square

Cox and Snell	.746
Nagelkerke	1.000
McFadden	1.000

Likelihood Ratio Tests

Effect	-2 Log Likelihood of Reduced Model	Chi-Square	df	Sig.
Intercept	.000 ^a	.000	0	.
QN26	.000 ^a	.000	0	.
QN27	.000 ^a	.000	0	.
QN6	.000 ^a	.000	0	.
QN9	.000 ^a	.000	0	.
QN13	.000 ^a	.000	0	.
QN15	.000 ^b	.000	2	1.000
QN19	.000 ^a	.000	0	.

The chi-square statistic is the difference in -2 log-likelihoods between the final model and a reduced model. The reduced model is formed by omitting an effect from the final model. The null hypothesis is that all parameters of that effect are 0.

- a. This reduced model is equivalent to the final model because omitting the effect does not increase the degrees of freedom.
- b. The log-likelihood values are approaching zero. There may be a complete separation in the data. The maximum likelihood estimates do not exist.

Parameter Estimates

Increase in the number of employees from the time the SE began to date ^a		B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp(B)	
								Lower Bound	Upper Bound
1-5	Intercept	-77.840	.000	.	1	.	.	.	.
	QN26	14.152	3869.462	.000	1	.997	1400594	.000	b
	QN27	28.305	9795.563	.000	1	.998	2.0E+12	.000	b
	[QN6=1.00]	0 ^c	.	.	0	.	.	.	.
	[QN6=2.00]	0 ^c	.	.	0	.	.	.	.
	[QN9=1.00]	0 ^c	.	.	0	.	.	.	.
	[QN13=1.00]	0 ^c	.	.	0	.	.	.	.
	[QN13=2.00]	0 ^c	.	.	0	.	.	.	.
	[QN15=1.00]	.000	.000	.	1	.	1.000	1.000	1.000
	[QN15=2.00]	.000	.000	.	1	.	1.000	1.000	1.000
	[QN15=3.00]	0 ^c	.	.	0	.	.	.	.
[QN19=1.00]	0 ^c	.	.	0	.	.	.	.

- a. The reference category is: 6-10.
- b. Floating point overflow occurred while computing this statistic. Its value is therefore set to system missing.
- c. This parameter is set to zero because it is redundant.

From the above hypotheses' tests it was noted from the chi square likelihood ratio tests at 95% confidence level that management, finance, project design and community attitude have a positive correlation with sustainability of the social enterprises within Church organizations. Cox and Snell measures also indicated a direct positive correlation of the independent variables as attested to by Cox and Snell values for how management influences sustainability of a social enterprise (0.621), how finance influences sustainability of a social enterprise (0.103), how project design influences sustainability of a social enterprise (0.734) and how community attitude influences sustainability of a social enterprise (0.582).

From the findings it can be logically deduced that project design has the greatest significance followed by management, community attitude and lastly, finance. It was surprising that finance had the lowest level of significance but this could be explained from the fact that if the social enterprise has the right project design in place, then its foundation would be unshaken. This would be strengthened further if the community attitude was positive and highly contributed towards the sustainability of the project and management was competent, growth-oriented and ethical.

The tests also showed various significance levels such as 0.001 for community attitude influence on sustainability of a social enterprise, 0.000 for project design influence on sustainability of a social enterprise, 0.232 for finance influence on sustainability of a social enterprise, and 0.000 for management influence on sustainability of a social enterprise. According to the statistical standards, any test below 0.005 is significant. This implies that all null hypotheses were proved wrong with the exception of the influence of finance on the sustainability of social enterprises within Church organizations.

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This final chapter of the study consists of summary, conclusion, recommendations and suggestions for further research. All these were conducted in line with the research questions that guided this study commencing with the summary, then proceeding systematically to the conclusion, recommendations and suggestions for further research as discussed here below.

5.2 Summary

The main objective of this study was to establish the factors that influence the sustainability of social enterprises within Church organizations in Kenya. There were other specific objectives such as examining how management influences the sustainability of the social enterprise within Church organizations, establishing the extent to which the financial resources influence the sustainability of the social enterprise within Church organizations, assessing the contribution of project design to the sustainability of the social enterprise within Church organizations and establishing the relationship between community attitude and the sustainability of the social enterprise within Church organizations.

5.2.1 How management influences the sustainability of the social enterprise within Church organizations

In line with the first objective of examining how management influences the sustainability of the social enterprise within Church organizations, the study found that according to 81.1% of the respondents, the management of a social enterprise could influence the sustainability of the social enterprise. The direction of influence was seen as positive with a very low chance of being reversed.

5.2.2 The extent to which the financial resources influence the sustainability of the social enterprise within Church organizations

On the second objective of establishing the extent to which the financial resources influence the sustainability of the social enterprise within Church organizations, it was noted that financial resources were very critical for the sustainability of social enterprises as shown by 91.9% of the respondents. This was fairly stronger than the rating for the management by 10.8%. This implies any step towards the reduction of withdrawal of financial resources such as donor funds could yield dire negative consequences for many social enterprises within Church organizations.

5.2.3 The contribution of project design to the sustainability of the social enterprise within Church organizations

In response to the third objective of assessing the contribution of project design to the sustainability of the social enterprise within Church organizations, it was found that the project design is a key determinant of a social enterprise's sustainability right from its inception.

The integrative approach found more preference, followed by the participatory/contributive and finally the donor-oriented model. Most social enterprises that participated in this study were ironically using the donor-oriented model.

5.2.4 The relationship between community attitude and the sustainability of the social enterprise within Church organizations

Regarding the last objective of establishing the relationship between community attitude and the sustainability of the social enterprise within Church organizations, the study revealed that active involvement of the community from the initial phases is significant in establishing acceptance, good rapport with the social enterprise, contribution and creation of a sense of ownership of the social enterprise hence founding it on a rock.

5.3 Discussion

Although the study found that the variables under study affect sustainability of social enterprises within Church organizations, these may not be the only factors affecting sustainability of social enterprises within such organizations. The levels at which various factors affect sustainability also vary with each organization and the factors that are at interplay. In this study, the only factor that had least level of significance was financial resources as shown by the various tests conducted.

Regardless of the fact that financial resources are critical for sustainability, it was worth noting that the level of importance of financial resources can be leveraged a by a good management, project design and community involvement. Lack of a good mix for the best foundation for an organization could be disastrous to sustainability.

5.4 Conclusion

The success of a social enterprise is greatly tied to its self sustainability in the long run for it to realize its vision, mission and objectives. From the findings of the study, it is clear that management, financial resources, project design and community attitude pay a pivotal role for the sustainability of a social enterprise within Church organizations.

All the null hypotheses of the study were proved wrong with the exception of the influence of finance on the sustainability of social enterprises within Church organizations. This means that for any social enterprise within Church organizations to be sustainable it must establish a strategic fit in its management, alternative income generating projects, project design and community involvement. Without this, sustainability becomes an elusive dream and realization of the vision, mission and objectives of the social enterprise in the long run a whirl wind.

5.5 Recommendations

Based on the literature review and the findings of this study, this study recommends that:

- i. Social enterprises should not compromise on the competence of managers but embrace quality/competence oriented culture as it pays in the long term
- ii. Social enterprise still using the archaic donor-oriented model should take a paradigmatic shift before it is too late to establish their sustainability strategies
- iii. Due to the challenges associated with donor funds such as conditions, unreliability and delays, social enterprises should come up with various viable income generating activities alongside donor funded projects

- iv. Community attitude and contribution is a critical component of sustainability strategies of a social enterprise, efforts should be made to involve the local communities in the early stages of the conception of the projects as possible to develop a sense of ownership

5.6 Suggested Areas for Further Study

From the findings of the study, the areas that required further study include;

- i. Assessment of the viability of the integrative project design in the social enterprises within Church organizations
- ii. The sustainability of competing for managers between the private sector and Social enterprise within Church organizations
- iii. The impact of church policies in the management of social enterprises within Church organizations just to mention but a few.

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APPENDICES

Appendix 1: Introduction Letter

University of Nairobi

Nairobi, Kenya

Dear Respondent,

RE: DATA COLLECTION FOR ACADEMIC RESEARCH

I am a postgraduate student at the Nairobi University, Nairobi campus pursuing Master of Arts Degree in Projects Planning and Management. In partial fulfillment of the requirements of the degree, am required to submit a thesis. I am therefore conducting research on “*The factors influencing sustainability of social enterprises within Church organizations: a case of Catholic Diocese of Nairobi*” with a view to establishing the correlation of the supporting individual or institutional donor and continuity in meeting the long term goals of the social enterprises by Church organizations.

It is in this light that I hereby request you to assist me by filling the attached questionnaire with the most appropriate responses for all the questions and cooperating in the interviews to the best of your knowledge. The information you provide will be used for purely academic purpose and held and treated confidentially and thus will not be disclosed without prior permission from you.

Thank you in advance and I am looking forward to your cooperation and assistance.

Yours faithfully,

Mr. George Oduor

Reg. No. L50/70900/07

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Appendix 2: Questionnaire for Middle and Operational Level Management Staff

Section 1: General Information on the Respondents

1) Duty Station: Headquarters []

Regional office: _____

2) Rank / Designation _____

3) Qualifications

i) Academic _____

ii) Professional _____

4) Gender Male [] Female []

5) How long have you worked with the Social enterprise? _____

Section 2: How the management of a social enterprise influences the sustainability of social enterprises within Church organizations in Kenya.

6) Do you think that the management of a social enterprise influences the sustainability of social enterprises within Church organizations in Kenya?

Yes [] No []

7) In what direction do you think the management of a social enterprise influences the sustainability of social enterprises within Church organizations in Kenya?

Positive direction [] Negative direction []

8) Do you think that there is a way in which the direction you stated in the question above can be reversed? Yes [] No []

Section 3: The extent at which the financial resources influence the sustainability of the social enterprises within Church organizations

9) In your opinion, do financial resources influence the sustainability of the social enterprises within Church organizations?

Yes [] No []

10) Do you think that the financial resources influence the sustainability of the social enterprises within Church organizations? Strongly agree [] Agree []

Undecided [] Disagree [] Strongly Disagree []

11) Do you think that the reduction in financial resources can influence the sustainability of the social enterprises within Church organizations?

Yes [] No []

12) To what extent do you think an alternative income generating activity/project can influence the sustainability of the social enterprises within Church organizations?

To a very high extent [] To a high extent [] To a moderate extent []

To a low extent [] To a very low extent []

13) Does your social enterprise have an alternative income generating activity/project?

Yes [] No []

14) If your answer is yes, what percentage contribution would you say comes from the alternative income generating activity/project in relation to your capitalization? _____

Section 4: How the project design influences the sustainability of the goals of the social enterprise

15) What project design does your social enterprise employ? _____

16) In your view, is this project design employed the best project design for your social enterprise? Yes [] No []

17) Explain your answer in question 16 above? _____

18) Which project design would you recommend to your social enterprise for sustainability? _____

Section 5: The relationship between community attitude and the sustainability of a social enterprise within Church organizations

19) Do you perceive community attitude to be of any relevance to the sustainability of a social enterprise within Church organizations? Strongly agree [] Agree []
Undecided [] Disagree [] Strongly Disagree []

20) In your opinion, what is the relationship between community attitude and the sustainability of your social enterprises?

Positive relationship [] Negative relationship []

21) How would you rate this relationship between community attitude and the sustainability of a social enterprise within Church organizations?

Very strong [] Strong [] Average [] Weak [] Very weak []

22) What is the contribution of the local community?

23) What percentage contribution would you say comes from the local community in relation to your capitalization? _____

24) How many of your employees are members of the local community? _____

Section 6: Sustainability of the Social Enterprises within Church organizations

25) Our social enterprise has grown from _____(number of employees) to _____employees.

26) Our social enterprise has grown from _____(volume of production/service) to _____ volume of production/service (output).

27) Our social enterprise has grown from _____ branches to _____ branches.

Appendix 3: Interview Guide for Project Managers and Project Directors

Section 1: General Information on the Interviewees

1) Duty Station: Headquarters []

Regional office: _____

2) Rank / Designation _____

3) Qualifications

i) Academic _____

ii) Professional _____

4) Gender Male [] Female []

5) How long have you worked with Social enterprise? _____

Section 2: How the management of a social enterprise influences the sustainability of social enterprises within Church organizations in Kenya.

6) Do you think that the management of a social enterprise influences the sustainability of social enterprises within Church organizations in Kenya?

7) In what direction do you think the management of a social enterprise influences the sustainability of social enterprises within Church organizations in Kenya?

8) Do you think that there is a way in which the direction you stated in the question above can be reversed?

Section 3: The extent at which the financial resources influence the sustainability of the social enterprises within Church organizations

- 9) Do you think that the financial resources influence the sustainability of the social enterprises within Church organizations?
- 10) To what extent do you think financial resources influence the sustainability of the social enterprises within Church organizations?
- 11) To what extent do you think reduction in financial resources can influence the sustainability of the social enterprises within Church organizations?
- 12) Do you think an alternative income generating activity/project can influence the sustainability of the social enterprises within Church organizations?
- 13) To what extent do you think an alternative income generating activity/project can influence the sustainability of the social enterprises within Church organizations?
- 14) Does your social enterprise have an alternative income generating activity/project?
- 15) What percentage contribution would you say comes from the alternative income generating activity/project in relation to your capitalization?

Section 4: How the project design influences the sustainability of the goals of the social enterprise

- 16) What project design does your social enterprise employ?
- 17) In your view, is this project design employed the best project design for your social enterprise?
- 18) Which project design would you recommend to your social enterprise for sustainability?

Section 5: The relationship between community attitude and the sustainability of a social enterprise within Church organizations

- 19) Do you perceive community attitude to be of any relevance to the sustainability of a social enterprise within Church organizations?
- 20) If your answer to the above question is yes, in your opinion, what is the relationship between community attitude and the sustainability of a social enterprise within Church organizations?
- 21) How would you rate this relationship between community attitude and the sustainability of a social enterprise within Church organizations?
- 22) What is the contribution of the local community?
- 23) What percentage contribution would you say comes from the local community in relation to your capitalization?
- 24) How many of your employees are members of the local community?

Section 6: Sustainability of the Social Enterprises within Church organizations

- 25) Please, state the vision, mission and objectives of your organization.
- 26) By how many employees has your organization grown since its inception?
- 27) Has your social enterprise has grown in terms of volume of production/service (output).
- 28) Has your social enterprise grown in terms of branches/branch network?
- 29) What would be your suggestions on the issue of sustainability of social enterprises within Church organizations?