



SOCIAL ENTREPRENEURSHIP DEVELOPMENT TO ACHIEVE SUSTAINABILITY GOALS USING SSM ANALYSIS

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Article Information Abstract

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This study also found the need for the role of the government or policy owners as actors who have an essential role in developing social entrepreneurship performance measurement tools. Measuring performance in social entrepreneurship is an important thing that needs to be done. This is an effort to ensure prosperity and maintain the sustainability of social entrepreneurship. This research aims to analyze the performance of social entrepreneurship and build a conceptual model of the strategy for assessing the performance of social entrepreneurship in the Special Region of Yogyakarta. The SSM research method was used to develop a conceptual model to measure the performance of social entrepreneurship. The results of the study concluded that measuring the performance of social entrepreneurship can be measured using measurement tools or indicators that focus on sustainable development goals (SDGs). This is necessary to distinguish the target of achieving success through social and commercial entrepreneurship.

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INTRODUCTION

Social entrepreneurship is one of the five categories of entrepreneurship regulated in presidential regulation number 2 of 2022 concerning Entrepreneurship. The Presidential Decree states that social entrepreneurs have a high social spirit and can see good business opportunities. Social entrepreneurs can identify social problems, see social problems as opportunities, and can provide solutions to existing social issues. Social entrepreneurs can operate in communities and prioritize helping or empowering rather than seeking material or financial gain.

The main goal of Social Entrepreneurs is to assist the Government in solving social problems that exist in a country. To carry out its social mission, Social Entrepreneurs offer innovative products, services, or methods accepted by society, which align with the Sustainable Development Goals (SDGs), which are expected

to be completed in 2030. Research on social entrepreneurship can be small or quite challenging to find. One of the studies conducted by Lepoutre et al., (2013), the Global Entrepreneurship Monitor (GEM) social entrepreneurship study, provides evidence of social entrepreneurship's global level and scope.

In short, it can be concluded that the research results from the GEM social entrepreneurship study are that poor countries tend not to develop social entrepreneurship, social enterprises are found in sectors such as social services, the arts and culture sector, education and research, environment, health, and there are many more, the primary sources of funding for social enterprises are the social entrepreneurs themselves, their families and members of the community where the social enterprises are developed. Social enterprises can survive the same as businesses in general. Usually, social entrepreneurs start a company with a modest initial capital (derived from personal networks,

then increasing through crowdfunding). Zahra et al., (2009) Present a typology that reflects the diversity of social entrepreneurs. However, the three types defined from the research results only cover some areas of social entrepreneurship. But the resulting typology can be used to recognize the potential antecedents, processes, and consequences of different types of social entrepreneurship. The three typologies of social entrepreneurship are Social Bricoleurs, Social Constructionists, and Social Engineers.

Social entrepreneurship is also a hybrid business, and this is because social entrepreneurship is a business that combines social activities (charity) and has a profit orientation, even though it is not the main thing when doing it. The purpose of social entrepreneurship is to broaden views related to the exposure of a business so that the focus on interaction is not only to pursue profits but also to pay attention to the impact of the company being carried out on the natural and social environment. (Nielsen & Lund, 2014; Santos, 2012) reveal that the fundamental difference between commercial and social entrepreneurship is that the motivation to create value for society drives social entrepreneurship. They need to focus on generating profits for themselves.

Measuring performance in social entrepreneurship is an important thing that needs to be done. This is an effort to ensure prosperity and maintain the sustainability of social entrepreneurship. This aligns with the role of social performance measurement as a tool for preserving sustainability and being an agent for distributing corporate wealth for social and environmental activities (Nielsen & Lund, 2014; Geissdoerfer, 2020). Appropriate performance measurement will help social entrepreneurship to increasingly contribute or benefit stakeholders, especially society and the environment. Social entrepreneurship is a business that can create a balance of welfare for all parties while still paying attention to the existence/sustainability of the social enterprise itself.

This research aims to analyze the performance of social entrepreneurship and build a conceptual model of the strategy for assessing the performance of social entrepreneurship in the Special Region of Yogyakarta. The phenomenon of the five social entrepreneurs interviewed is that they only run social enterprises and have yet to carry out performance measurements for their social entrepreneurship activities explicitly. This happens due to a need for more information about indicators that can be used to measure the performance of social entrepreneurship. Besides that, there needs to be a specific policy from the central and regional governments on measuring social entrepreneurship's performance.

Experts express various definitions of social entrepreneurship. Zahra et al., (2009)

Propose a definition of social entrepreneurship: "Social entrepreneurship underlines an important matter related to motives, types of businesses made, and organizational activities (or strategies) designed to increase social wealth." The opinion expressed by Borzaga et al., (2012) revealed that social entrepreneurship is a model for products in the form of activities or activities to produce products or services introduced by non-profit organizations for decentralization purposes and social welfare systems. Thompson and Doherty (2006) Expressed another opinion about social entrepreneurship. They wrote that social entrepreneurship should be understood as creating social value and maintaining it as a non-profit organization or not focusing on profit making.

Innovation

Innovation is an integral part of social entrepreneurship; as written by Hulgard (2010), in social entrepreneurship, four elements are different from conventional entrepreneurship. Innovation is part of the four elements proposed by (Hulgard, 2010). According to Sofia (2015), Social innovation is one of the keys to the success of social entrepreneurship. This opinion is based on the ability of social entrepreneurship actors to see opportunities from social problems in the environment. The ability to see options from pests is the key to carrying out various business activities, creating social business ideas, and building communities.

Dees et al., (2001) outline several forms of social innovation that can be developed in social entrepreneurship. Various forms of social innovation that can be set include developing products, services, or programs that are new and different from the past and strategies or methods that are new and different from the past. New markets to serve, new sources of work, new organizational structures to increase efficiency, new interactions and connections with new partners, and new sources of financing.

Social Value

In social entrepreneurship, the term social value is often expressed. According to Nicholls (2008), social entrepreneurship is an attempt to combine business concepts, philanthropy, and business models to create sustainable solutions to social problems and create social value systems.

Wibowo and Nulhaqim (2015) Describe social value as one of the methods used to measure the success of social entrepreneurship because the profits generated are not the main thing used to measure success. The success of social entrepreneurship is calculated by looking at the extent to which social entrepreneurship has been able to produce social values. Social value is

seen to measure social impact. Zeno et al (2019) Explains that the logical model is a way to explain the relationship between input, process, output, results, and the effect of creating value (social value) of a social enterprise entrepreneurship. Lorenzo-Afable et al., (2020) It gives a different opinion about social value creation; SVC, or Social Value Creation, is a complex and interactive procedure influenced by beneficiaries' efforts within social enterprises. This interactive process generates a sense of altruism among beneficiaries, which can increase their vulnerability and give rise to negative consequences within social enterprises.

Social Entrepreneurship Performance

Austin et al., (2012) Wrote that performance measurement is a distinguishing characteristic that distinguishes social entrepreneurship from forms of commercial entrepreneurship. Social mission is at the core of the social enterprise, so there need to be measures that focus on creating social value and measuring social impact rather than quantitative monetary figures, which differentiates it from commercial enterprises.

Duque et al., (2008) said that it is challenging for social entrepreneurs to measure the performance of non-profit organizations because the social mission is related to creating social value and the social impact it provides. In social entrepreneurship, there are no specific vital indicators to measure the performance of social enterprises that investors or other stakeholders can use to see the size of profits or investment returns. More than the gain is needed to be used as a single measure in measuring the performance of social enterprises because other actions are at least as necessary as the measure of uncaptured profit (Speckbacher, 2003). The performance of social enterprises has a positive social and economic impact on society (Thompson, 2002).

Another opinion explains that the financial performance of social entrepreneurship is identified as social enterprise sustainability (Defourny & Nyssens, 2010).

METHOD

This study was carried out in preparation, data collection, data processing, and data analysis, with a survey evaluation conducted between September 2022 and November 2022. This study focuses on five social entrepreneurship actors in the Special Region of Yogyakarta. One expert is the Assistant Deputy for Business Consultation and Assistance at the Ministry of Cooperatives and SMEs. This qualitative research uses the SSM (soft system methodology) method. SSM is a unique method for analyzing real, complex, and conceptual paradigmatic social, economic, political, or even political situations. The core idea behind soft systems thinking is the concept of a system, which is used to explore the observable world (Firdaus & Maarif, 2015).

The SSM approach begins by identifying real situations that are considered problematic by some stakeholders. The purpose of the situation review is to diagnose the existing condition and determine the perpetrators and the nature of the problem. The most common strategy is a graphical representation of the problem under study. This visual representation, called the "rich picture," includes all stakeholders and their relationships to provide a holistic picture of the problem. The SSM approach creates a conceptual model. This means a clear definition of the system to be modeled, known as a root definition, whose structure must include the following components (CATWOE): customer, actor, transformation process, Weltanschauung (world view), owner, and environmental constraints.

The following is a picture of the SSM stages carried out in the study.

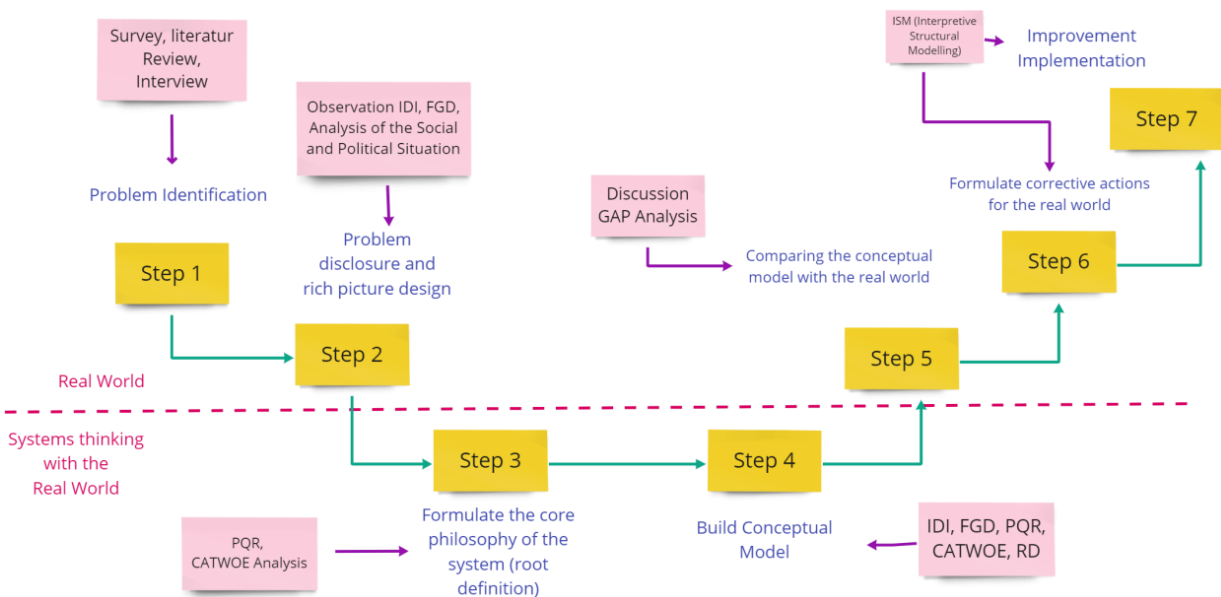


Figure 1. SSM Stages

RESULT AND DISCUSSION

The results written in this research are implemented using a soft system methodology. This writes about the situation analysis results through identifying problems, disclosing problems, and designing rich pictures. Of the seven stages contained in the SSM, the research results here only show the results obtained in stages one, two, and three of the seven steps in the SSM.

Step 1, several sources of information are used to provide an overview from various perspectives to describe the Rich Picture of this study. The description of social entrepreneurship in DIY starts with social entrepreneurship actors' motivation and social support. This will be related to the performance of the five social entrepreneurship in DIY. Business continuity, the resulting impact, and an increase in the number of empowered communities are some of the

measurement tools used in measuring the performance of social entrepreneurship. What is produced from social entrepreneurship activities is not solely based on the results in the form of profits to be gained but instead looks at the impact experienced by the environment or society from the social entrepreneurship activities carried out.

Step 2, the researcher builds a rich picture of the problem in this second stage. A rich picture is an SSM step that explores, realizes, recognizes, and expresses a situation through diagrams to create an initial model. The image obtained regarding social entrepreneurship actors in DIY is that they have yet to explicitly measure the impact of social entrepreneurial activities or activities carried out with the community. Figure 2 provides an overview of the social entrepreneurship problems that exist in general. This image is used to construct the next stage using PQR analysis (CATWOE).

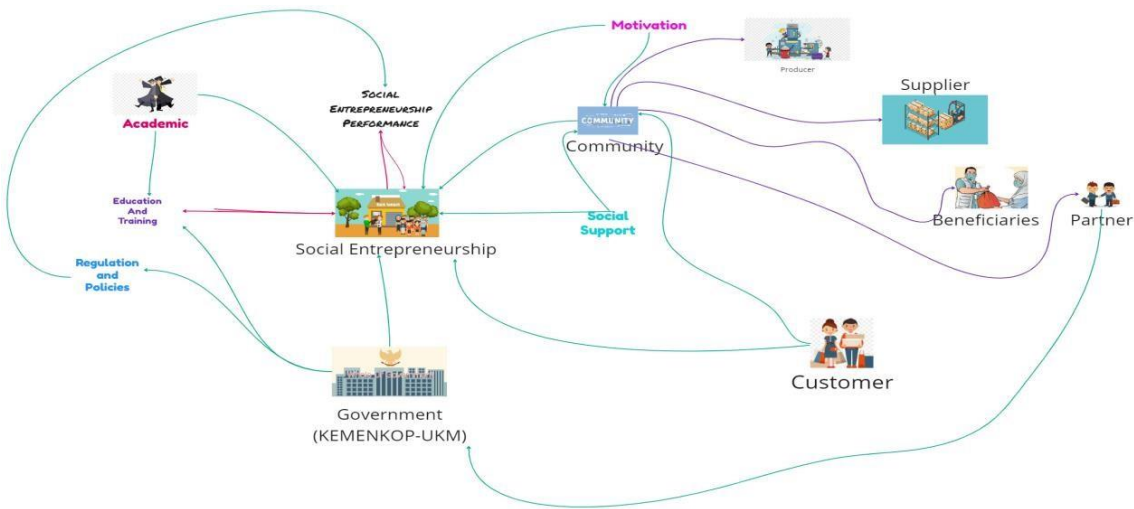


Figure 2. Rich Picture

Step 3, the researcher makes a Root Definition based on the Rich Picture in the previous stage. The root definition of this study can be described as follows: The root definition is followed by the PQR formula, namely a system that performs P by Q to achieve R (Hardjosoekarto, 2012). The root definition in this study is the motivation and social support needed by social entrepreneurship actors to encourage the

creation of Sustainable Development Goals (SDGs) (P) using social performance indicators consisting of measurable social performance, innovation, and economic performance (Q) so that it can be seen the impact resulting from social entrepreneurial activities in a community (R).

The next step is to perform a CATWOE analysis as follows.

Table 1. CATWOE on the Development of Social Entrepreneurship in the Special Region of Yogyakarta (DIY)

Component		Description
C	Customers (Victims, beneficiaries)	Impact recipients of products, services, or activities produced by social entrepreneurship
A	Actors	Social Entrepreneurship Actors (Founder, Co-Founder)
T	Transformation Process	Efforts Made to Measure Social Entrepreneurship Performance with the Aim of Social Entrepreneurship Sustainability in Special Region of Yogyakarta

W	Worldview	Motivation, Social Support is needed to form impactful and sustainable social entrepreneurship.
O	Owners	Government (Ministry of Cooperatives and Small and Medium Enterprises)
E	Environmental Constraints	Access to information about social entrepreneurship, unequal access to technology and finance, limited access to the community to be empowered, and limitedhuman resources to carry out social entrepreneurial activities.

Step 4, the researcher creates an initial conceptual model, which can generally be described in Figure 3. The conceptual model initially describes the relationship between one activity and another. The conceptual model also explains the roles of parties with each other who

aim to maximize achievement targets. The parts between these parties have a complementary relationship. The limitations in this cycle sometimes lead to conflicts, so appropriate solutions are needed to overcome these problems.

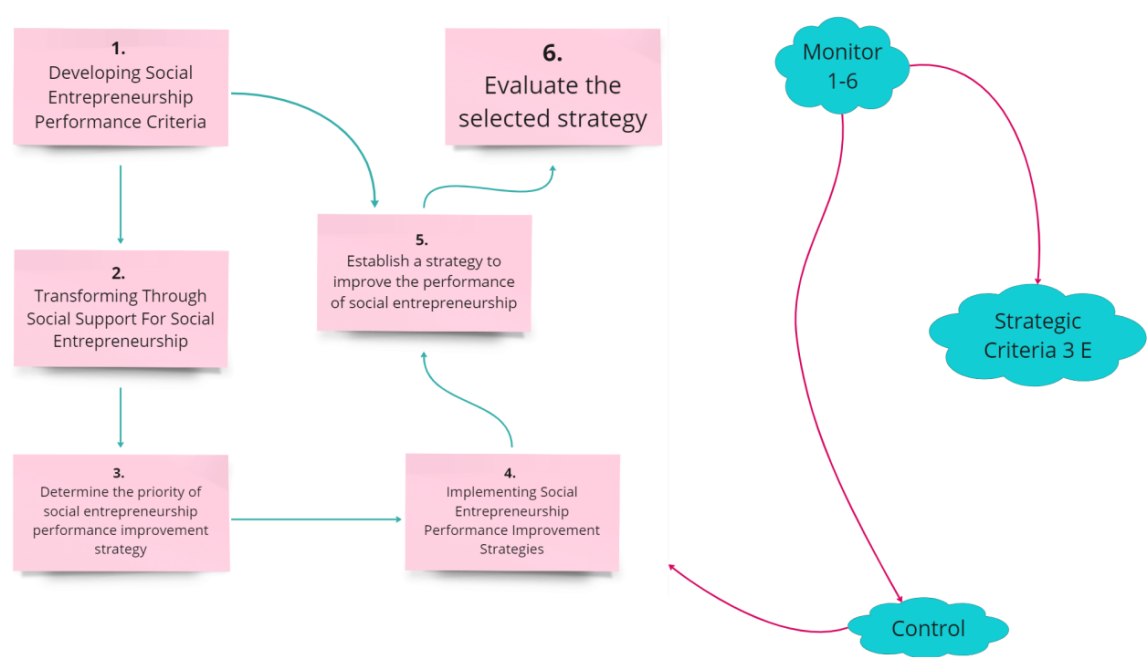


Figure 3. Conceptual Model

The next step in the fifth and sixth stages is to compile steps as a comparative analysis between the desired target system and the actual conditions in the field. This step is for knowing the results of implementing the system design that has been built. Making notes on the differences that exist from the implementation results that have been carried out is the first part to be carried out. The second part is to determine the criteria for comparison, proceed with assessment activities,

and analyze deviations from the expected target. Next, the preparation of operational system scenarios that occurred in the past is carried out, then run the designs on the model that has been built and analyses whether the model is running as expected based on current conditions. The fourth part examines whether the model has given answers to the desired solutions. Table 2 below compares each process from the conceptual model to the real world.

Table 2. Comparison of the Conceptual Model with the Real World

1. Conceptual Model		2. Real Word Condition	3. Recommendation
Developing Social Entrepreneurship Performance Criteria	Social	Social Entrepreneurship Performance Criteria has been prepared	Compiling Social Entrepreneurship Performance Criteria
Transforming through Business Performance for Social Entrepreneurship		Transformation is carried out based on the needs of Business Performance assessment for social entrepreneurship.	Identifying social entrepreneurship performance indicators suitable for social entrepreneurship actors in the Special Region of Yogyakarta is necessary.

Determining the Priority of social entrepreneurship performance	Strategy determination is carried out without considering which alternative performance indicator of social entrepreneurship is most appropriate	Setting priorities is quite tricky, so experts and suitable parameters are needed to get the desired results
Implementing Social Entrepreneurship Performance Improvement Strategies	The implementation of the strategy for increasing the performance of social entrepreneurship has yet to be maximized.	Cooperation is needed with various parties in the implementation process. Particularly experts or policy owners who measure the performance and sustainability of social entrepreneurship
Establishing a strategy to improve social entrepreneurship performance	The evaluation process on alternative methods for increasing the performance of social entrepreneurship can be done and cannot be done	There is a need to review whether the results of alternative strategies follow the objectives of measuring the performance improvement of social entrepreneurship.
Evaluate the selected strategy.	The chosen strategy is based on expert recommendations	Additional analysis is needed to support this

Step 7, explains the implementation or actions that might be taken to solve the existing problems. The following are possible actions that can be taken to solve the current issues.

The proposed improvement plan for compiling a social entrepreneurship performance assessment begins with collecting criteria for social entrepreneurship performance assessment tools, carrying out transformations through the approach of sustainable development goals (SDGs), and building communication with the government (Kemenkop UKM) as well as other stakeholders to clarify and strengthen strategy priority.

The transformation is carried out based on the needs of Business Performance assessment for social entrepreneurship using sustainable development goals (SDGs). Activities that exist in the real world, transformation is carried out to measure the sustainability of social entrepreneurship efforts—using social entrepreneurship performance indicators taken from (Hulgard, 2010) with attention to three things, as follows social performance, innovation, and economic performance, to be used as a measuring tool for the performance of social entrepreneurship businesses.

CONCLUSION AND RECOMMENDATION

Based on the results of the studies that have been carried out, it can be concluded that social entrepreneurship performance measurement can be measured using measurement tools or indicators that focus on sustainable development goals (SDGs). Social entrepreneurship actors can determine in advance related to the SDGs they want to achieve through their social entrepreneurship activities. The

expected impact of these activities can also be used as a measuring tool.

The results of interviews with five social entrepreneurship actors in DIY (Special Region of Yogyakarta) revealed that they carry out social entrepreneurship activities while compiling what impact is expected from the activities carried out. This study also found the need for the role of the government or policy owners as actors who have an essential role in developing social entrepreneurship performance measurement tools. This is necessary to distinguish the target of achieving success through social and commercial entrepreneurship.

Recommendations that can be given from the results of the study in the fourth step in the SSM method, the researcher developed a conceptual model for assessing the performance of social entrepreneurship using the indicator variables social performance, innovation, and economic performance. Through these indicator variables, social entrepreneurship can produce a transformation in achieving sustainable development goals (SDGs). Further research can be carried out to explore each variable indicator used in the performance measurement above. The object of study can be carried out on social entrepreneurship actors in other areas, for example, in West Java or other provinces, by looking at cultural factors and whether they influence social entrepreneurship actors in determining performance assessment indicators for social entrepreneurship activities.

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