

Strategies for Fostering Social Entrepreneurship Sustainability and Benefits in Microfinance Institutions

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Abstract. Creating sustainable social entrepreneurship (SE) activities can bring benefits to both organizations and communities. Implementing effective organizational strategies is crucial in achieving this goal. This research aims to explore the implementation of such strategies and the resulting benefits for organizations and communities, using a qualitative research methodology with a case study approach in a microfinance institution. The findings reveal that the organization's vision and mission, particularly in supporting women's groups, serve as a driving force in implementing strategies. Key elements include fostering an organizational culture conducive to SE, establishing robust corporate governance practices, ensuring sound financial management, and promoting innovation in business processes. Additionally, aligning business processes with SE activities, such as selecting suitable members and streamlining the loan approval process, is essential. The benefits derived from these efforts encompass economic, social, and environmental dimensions, serving as indicators of sustainability. The research highlights the positive impact of sustainable SE on various stakeholders, emphasizing the importance of integrating SE strategies into organizational practices. Overall, this research sheds light on the significance of implementing organizational strategies for sustainable SE. The findings underscore the role of vision, culture, governance, financial management, and innovation in driving positive outcomes. The identified benefits span economic, social, and environmental aspects, illustrating the multifaceted nature of sustainability in SE endeavors.'

Keywords: vision and mission, organizational strategy, business processes, benefits, sustainability.

1. Introduction

Social entrepreneurship (SE) develops rapidly and pervasively due to its great benefits to the public (Lubberink et al., 2019). SE arguably helps marginalized communities overcome numerous social problems and promote their economic prosperity than before their participation in SE activities. Microfinance institutions (MFIs) like cooperatives are a form of SE capable of overcoming social problems (Khavul, 2010). Besides, MFIs are social enterprises in high demand among social entrepreneurs (Battilana & Dorado, 2010; Cobb et al., 2016). MFIs assist marginalized communities by providing loan services distinct from those of formal institutions (Hermes et al., 2011; Périlleux et al., 2012) in that MFIs offer loans without collateral. This method also emancipates marginalized communities from poverty, as the communities utilize the loans for productive activities. However, several SE engages in MFIs whose activities are inadequately supported and fail to benefit their communities (Hemtanon & Gan, 2021). Some, like Enterprise Action in the United Kingdom, were forced to cease operations after several years (Scott & Teasdale, 2012). Among these examples are SEs in the microfinance industry. Due to inattention to organizational strategy when carrying out their activities, they did not generate sustainability, resulting in its failure and bankruptcy.

These cases contrast an Indonesian MFI of Koperasi Kasih Indonesia (KKI), whose sustainability benefits institutions and communities due to its well-governed activities. It even survived the Covid-19 pandemic and increased its members. This MFI currently has five branch offices and manages to increase its permanent employees, loans disbursed, and total assets with non-performing loans (NPL) of zero percent. Its activities focus on empowerment through financial education, saving practices, and loan disbursement to women groups from marginalized communities who own small businesses. This cooperative was established in 2011, and its founder is a 25-year-old man with a bachelor's degree in accounting and working experience for the McKinsey multinational consulting firm.

Thus, MFI sustainability is crucial to ensure that communities and organizations continue to reap the benefits (Kamaludin et al., 2021; Rey-Martí et al., 2021; Leung et al., 2019) as the objective of social entrepreneurship organizations. According to Rambu Atahau et al. (2020), an organization's economic, social, and environmental benefits, including microfinance institutions, are indicators of its sustainability. Unsustainable SE will cease to provide benefits (Chang et al., 2017; Terouhid & Ries, 2016; Mota et al., 2015) that will arguably affect its activities. Thus, MFI sustainability in providing benefits is a crucial research issue because numerous MFI sustainability studies have discussed institutional sustainability due to financial sustainability (Memon et al., 2020; Awaworyi Churchill, 2020), micro financial services (Palareti et al., 2020), sustainability management (García-Pérez et al., 2018), internal and external factors (Pinz & Helmig, 2015), and trust to MFIs (Epstein & Yuthas, 2011). Further, other studies focus on the economic, social, and environmental aspects but not on the benefits received by organizations and communities (Rambu Atahau et al., 2020; García-Pérez et al., 2017).

The sustainability problem of several MFIs in Thailand and the UK that fail to deliver benefits due to poor organizational strategies and KKI's sustainability in providing benefits motivate us to investigate their sustainability concerning their organizational strategies. Thus, this research asks two questions: 1) how does implementing organizational strategies support KKI's sustainability as an SE; and 2) how do organizations and communities benefit from KKI's sustainability? It is crucial to investigate these issues to contribute to the implementation of organizational strategies that promote MFI sustainability, thereby providing economic, social, and environmental benefits.

2. Literature Review

2.1. Social Entrepreneurship

Social entrepreneurship (SE) is an innovative activity for the public interest (Gawell, 2013). Further, Zahra et al. (2009) indicate that SE activities are carried out by innovatively identifying, defining, and utilizing opportunities to promote social welfare through organizations. Several studies demonstrate

that SE activities overcome social problems (Picciotti, 2017; Gawell, 2013; Cukier et al., 2011), given that SE is sustainable.

2.2. Microfinance Institutions

Khavul (2010) suggests that microfinance institutions (MFIs) are an example of SE. According to Haile et al. (2012), MFIs exist to alleviate poverty by providing microcredit to communities. MFIs help communities through empowering activities (Haile et al., 2012), and empowerment will be effective if it is supported by sustainability. Thus, MFIs must align their empowerment objectives with their missions and visions to maximize social benefits.

2.3. Sustainability

Sustainability is closely related to economic, social, and environmental issues (Chang et al., 2017; Terouhid & Ries, 2016). However, several MFIs cannot support their sustainability because their organizational strategies do not support their activities (Hemtanon & Gan, 2021; Scott & Teasdale, 2012; Seanor & Meaton, 2008). Several studies document that strategy implementation such as organizational culture (Canestrino et al., 2020; Kiesnere & Baumgartner, 2019), corporate governance (Pestoff & Hulgård, 2015; Smith & Woods, 2015), financial management (Kamaruddin et al., 2021; Kallab & Salloum, 2017), and innovation (Duarte Alonso et al., 2020; Picciotti, 2017) will promote MFI sustainability and maximize their benefits.

2.4. The Implementation of Organizational Strategies and MFI Sustainability

SE activities must be supported by implementing appropriate organizational strategies to establish sustainable SE (Calic & Mosakowski, 2016; Ebrashi, 2013) that can alleviate social problems in societies.

(Alvord et al., 2004). Implementing organizational strategies is carried out through organizational culture (Otache & Mahmood, 2015), corporate governance (Hemphill & Cullari, 2014; Brinkerhoff & Brinkerhoff, 2011), financial management (Torre et al., 2019), and innovation (Kiani et al., 2019; Cernikovaite & Lauzikas, 2011). Strategy implementation supports organizational visions and missions (Adebanke Olusola et al., 2022; Simon et al., 2014).

• Organizational Culture

As a distinctive business characteristic, organizational culture is reflected by norm and value-related organizational behavior. According to Yaari et al. (2019), organizational culture refers to a set of norms and values commonly held by managers and employees. Organizational culture is crucial because it affects employees' attitudes and behavior, determining organizational successes (Abdullah et al., 2017) and largely affecting SE development (Canestrino et al., 2020; Kedmenec & Strašek, 2017). There are two sets of cultures in SE: a culture of charity and a problem-solving culture that are instilled and supported by social norms (Dees, 2012).

• Governance

Mason (2009) explains SE governance as board-level leadership strategies and operations that enable users, operators, supervisors, and other stakeholders to create and maximize social benefits. Corporate governance develops SE by transforming the organizational structure and providing institutional adjustments for board members and directors to facilitate better communication between them (Kuan et al., 2011). Besides, implementing formal governance is crucial to support activities because decisions must be made based on consensus among board members and directors (Colenbrander et al., 2017).

• Financial Management

Strategy implementation utilizes financial management to support social activities (Kamaruddin et al.,

2021; Kallab & Salloum, 2017) in facilitating better SE activities and sustainability. Financial management is crucial in mitigating financial problems in SE (Popov et al., 2019; Bhatt & Ahmad, 2017) that helps SE exhibit financial resilience. Thus, a financial management application in SE aims to regulate the funding of organizational activities and mitigate the risks, as financial risks can impede the development of social enterprise activities and affect their sustainability (Bansal et al., 2023; Licite-Kurbe & Gintere, 2021), so that their activities endure and benefit and transform their aid recipients (Staicu, 2018).

- **Innovation**

SE must innovate to ensure its sustainability. Picciotti (2017) explains that innovation in social enterprises seeks to ensure sustainability in creating social changes. In this respect, technology must support innovation in social enterprises to facilitate their activities (Alonso et al., 2020). Prior studies also document that technological innovation promotes SE (Lichy et al., 2022; Vrontis et al., 2021). However, innovation in SE is not limited to supporting technologies but is also related to process innovation (Evans et al., 2017).

2.5. Sustainable social entrepreneurship business process and its benefits

Climent et al. (2009) define process business as a set of various organizational activities to achieve desired goals. Business processes in organizational activities, including SE, must facilitate customer-oriented dynamic capabilities (Padmalia et al., 2023), knowledge sharing (Christiansen et al., 2023), entrepreneurial orientation (Rosita et al., 2023), and trust building (Nugroho et al., 2022). Hence, business processes must be designed appropriately to ensure MFI sustainability through socialization and member selection (Evans et al., 2008; Haueter et al., 2003) and credit approval as a credit disbursement procedure (Geng et al., 2020; Calcagnini et al., 2018).

Socialization involves individual learning through behavioral patterns and institutional role values (Cook, 1971). It informs prospective members of the organization's expectations of them and how they should carry out their responsibilities (Lengnick-Hall, 1996). Meanwhile, selection processes seek to find individuals whose value fit with the organizations (Chatman, 1991). Next, credit approval involves the evaluation of credit approval to minimize credit repayment problems (Geng et al., 2020). Besides, credit disbursement procedures arguably maintain financial and social performance (Abrar, 2019).

2.6. Theory of Change

The theory of change is applicable at the platform levels of multi-firms, individual organizations, certain investments, and beneficiary levels of societies, households, and individuals (Jackson, 2013). Two practices comprise the theory of change: social and development programs that inform social action and evaluation (Stein & Valters, 2012; Vogel, 2012; Valters, 2014). Thus, microfinance activities must result in changes, which then serve to evaluate their activities. Hence, MFI sustainability is crucial and must be supported to deliver economic, social, and environmental changes.

3. Research Method

3.1. Research Design

This study utilized the qualitative approach of a case study of an MFI that has been operating since 2011, thus supporting Yin (2011). The qualitative approach facilitates us to explore our research object, i.e., understanding organizational strategies implemented by the MFI to ensure its sustainability and continue its benefits.

3.2. Data Collection

Data was collected through in-depth interviews with informants from the research object, consisting of the director/ founder of the MFI (A1), development supervisor (A2), operational supervisor, and three cooperative members (B1, B2, and B3). We also interviewed three cooperative members because they are subject to the MFI's empowerment activities. Besides, this research aimed to demonstrate the information accuracy for supporting research data. We also employed secondary data from the research object's website, such as the book of *Mimpi itu, BISA* (a storybook of seven KKI members who could achieve their dreams in 2016), financial statements, and other supporting information.

3.3. Data Analysis Technique

We initially transcribed the in-depth interview data and then analyzed the data in three stages following Miles and Huberman (1992): data reduction, data presentation, and conclusion. The data reduction stage selects and reduces the data, leaving only those relevant to the research problems and objectives. Next, the data presentation stage classifies data systematically, orderly, and meaningfully to facilitate interpretation related to our study. The conclusion stage finalizes the process.

4. Results and Discussions

4.1. Organizational Strategies of SE Sustainability at MFI

• SE's Organizational Culture

The organization acknowledged that the implementation of strategies to support the activities of empowering women's groups to advance was closely related to the achievement of the organization's vision and mission. This was evident from A1's statement and A3's statement: "... *...the purpose of KKI's activities is to empower women to improve and transform their lives. The improvements become KKI's vision and mission in implementing the strategy, as numerous SEs do not perform their duties because they do not implement the strategy. Implementing strategies in activities can support the achievement of the vision and mission, as well as the long-term viability of KKI's activities, allowing mothers to reap the long-term benefits of their efforts.*"

Our findings also reveal that organizational culture must be developed to support SE activities and affect employees' attitudes and working behavior in achieving organizational objectives. They explained in the form of a quote from informant A1: "...*the organizational culture is essential because it influences how employees behave and work, thereby affecting KKI's performance and encouraging KKI to achieve its goals. Applying organizational culture to KKI contributes to the sustainability and growth of KKI.*"

• Governance of SE

The results also indicate that corporate governance supported organizational objectives, i.e., introducing supervisory and advisory boards into the organizational structure to adhere to independent cooperative regulations originating from outside the organization and facilitate transparency. This statement was confirmed by A2: "...*appointed skillful and well-experienced supervisory and advisory boards from outside the organization. Besides, KKI also appointed two cooperative members to the supervisory board members. Further, the implementation of GCG at KKI is evident from its audited financial statements, which are then disseminated on the KKI website so that many people, including those who assist KKI, are aware of the organization's financial position.*"

• MFI's Financial Statements

The implementation of organizational strategies to support activities also includes sound financial

management. The results demonstrate that SE's financial management aimed to regulate activity funding by maintaining financial resilience and actively seeking funding. This explanation was provided by informant A2 who mentioned: "... a good way to regulate our finances to fund member loans is to use 50% institutional capital and 50% third-party loans. Due to financial difficulties caused by Covid-19 in Indonesia, KKI also restructured loan repayments from all members by increasing the repayment schedules from 25 to 40 weeks. KKI also maintains financial stability by promptly disbursing its members' loans, thereby accelerating money circulation."

• Innovation in SE

The organization also introduced innovation to support empowerment, like the 'hope frame,' to inspire its members to develop and grow. It also utilized information technology like semi-automatic information systems and websites. The explanation was confirmed by informant A2: "... innovation in KKI's activities includes using 'dream frame' to motivate each member to pursue their dreams passionately and change the loan repayment system from 25 weeks to 40 weeks because our members experienced financial difficulties due to Covid-19."

Further, informant A3 provided the following additional information regarding KKI's innovation to support its activities: "...KKI's activities are supported by simple, semi-automatic information systems that simplify the identification of members with difficulties in repaying the loans and disbursing the savings. Besides, KKI is supported by its official website to provide information on past and future activities, its positive impacts of KKI's, its products, financial statements, job vacancies, and other matters."

From the above discussion, the following table (Table 1) shows a summary of the organization's strategy implementation:

Table 1. Organizational Strategy and SE Sustainability at MFI

Application Organization strategy	Forms of Organizational Strategy Implementation Based on its Application
Organizational Culture	Organizational culture is formed through aspects of clear regulations and monitoring. In addition, to form a good attitude and way of working with employees.
Corporate Governance	"...including a supervisory board and advisory board in the organizational structure complies with Indonesian cooperative regulations and supports transparency by publishing financial statements that a public accountant has audited.
Financial Management	"...supporting the organization's financial resilience by creating a system of funding activities using 50% from the company and 50% third-party loans, changing 25 weeks of installments to 40 weeks, maintaining financial turnover, and tightening joint responsibility.
Innovation	Using dream frames as a new way of motivation, information technology such as a semi-automated information system to view profiles of members who have problems with installments and due dates for repayment of KKI loans to third parties, and a website to inform KKI of its activities.

Source: Primary data, 2023

4.2. Business Process of SE Sustainability at MFI

Our research object mentioned that business processes to support SE activities consist of socializing and selecting groups of women who own small businesses in underserved communities to identify the appropriate members. This statement was confirmed by informant A3: “...field officers will search for prospective members who own small businesses and then conduct outreach so prospective members are aware of KKI’s activities. If the prospective members are interested, the officers will conduct a survey to determine prospective members’ businesses, incomes, house conditions, and families. This survey will determine which prospective members satisfy the criteria and which do not. If you satisfy the requirements, you may join the cooperative.”

The findings also indicate procedures that each member must follow for their application to be approved by KKI. This statement was supported by informant A2: “...eleven women will form a single group. After that, two days of group preparation are administered. The first day’s activities involve developing motivation through fantasy figures, discussing the benefits of saving, and managing finances. On the second day, field officers will explain administration, sanctions, and shared responsibility, among other topics. Once the women comprehend, field officers will promptly approve and disburse the submitted loans. In contrast to the previous group, the new group is not required to attend a financial seminar before the loan is disbursed.”

This study then derives conclusions regarding the business processes that support SE sustainability based on the triangulated interview results, which are presented in the following table:

Table 2. Business Process of SE Sustainability

Activities in Business Processes	Results
Finding the right members	Field officers conducted socialization to introduce KKI and its activities only to productive mothers who own small businesses from underprivileged family backgrounds. Then the selection process is carried out through a survey (house conditions, number of family members, economic conditions, and small businesses owned by the family).
Create loan procedures	The approval of loan applications is contingent upon the presence of eleven individuals in a group who are required to attend group sessions on financial literacy and savings, the creation of dream frames in motivational classes, membership rules, administration, and joint liability.

Source: Primary data, 2023

4.3. The Impacts of SE Sustainability at MFIs

The beneficiaries of KKI’s sustainability are the institutions and communities that receive aid. This argument was confirmed by informant A2 who mentioned that “...KKI’s sustainability significantly affects the institution’s growth. In the first year KKI was established, in 2011, there were 303 cooperative members; ten years later, there were 10,087 cooperative members; the number of assets increased from the initial capital of fifty million to approximately twenty-four billion Rupiah; the number of employees increased from eight to fifty-six; and there are currently five branch offices.”

In addition, there was a statement regarding changes at KKI that affected the employees’ economy. The statement regarding economic changes was confirmed by informant A1 and supported by informant A2: “...sustainability encourages KKI to change so that it pays greater attention to the economic welfare of its employees. KKI offers its employees above-minimum-wage salaries, holiday allowances, performance bonuses, length-of-service bonuses, short-term and long-term loan provisions, employee

child benefits, etc. Even employees set aside a portion of their pay to save, and the funds are used to purchase residences, land, and other necessities.”

Sustainability also encourages social transformation among employees directly involved in KKI's social business activities. This social change is supported by the following quote from informant A3: *"...sustainability also enables KKI to expand so that more mothers are assisted. Clearly, the impact on mothers is increasing as more and more women gain autonomy. Additionally, it encourages current members to introduce additional mothers to KKI for assistance. Another effect is that an increasing number of employees are involved in empowering mothers, so that employees gain greater experience and begin learning to be grateful, save money, develop good ethics, have empathy, be accountable, and live frugally."*

In addition to offering economic and social benefits, sustainability also provides environmental benefits by encouraging each individual involved in KKI's activities to be more environmentally conscious. This information was confirmed by informant A3's following statement: *"...the larger the KKI; the more members are empowered, increasing the number of employees involved, the use of paper at work, the number of employees purchasing food wrapped in plastic wrap, etc. Consequently, paper use is reduced by using recycled paper. We also reduce plastic waste because it is difficult to decompose and dispose of refuse according to its location."*

Implementing organizational strategies in SE's business processes is advantageous to both the organization and its members, as evidenced by interviews with key informants. The director, development supervisor, and operational supervisor concurred on the organization's sustainability advantages. Table 3 below presents the summary:

Table 3. Benefits of sustainable SE to the organization

Economic Benefits	Results
KKI continues to grow	Organizationally, KKI is growing, as indicated by its increasing assets, five branch offices, the number of permanent employees, and the number of cooperative members.
Employee welfare is fulfilled.	KKI provides basic salaries for employees above the regional minimum wage, holiday allowances, performance bonuses, long service bonuses, employee loan facilities, and child allowances. In addition, the salary received is used to save, buy a house, buy a motor vehicle, and buy land.
Social Benefits	Results
Assisting marginalized communities	KKI's activities are growing because the number of women assisted increases, as indicated by the number of members who apply for loans and the number of members empowered.
Change the behavior of employees.	KKI provides numerous experiences to its employees by involving them in women's group empowerment activities so that they learn to be grateful for their lives, have strong ethics, have high empathy, and responsibility, learn to save money, and live frugally.
Environmental Benefits	Results
Reduce plastic waste and use recycled paper.	KKI is also concerned with environmental issues, so it strives to protect the environment by reducing plastic waste, using recycled paper, and disposing of waste in its proper place.

Source: Primary data, 2023

The community of mothers who participated in the empowerment benefited from KKI's sustainability. The results of in-depth interviews with three empowered KKI members, informants B1, B2, and B3, reveal that they underwent several significant changes after joining the organization. Every claim they made was also substantiated by a story published on the KKI website, specifically *Mimpi Itu, BISA* (a storybook of 7 KKI members who could achieve their dreams in 2016). The first advantage is the economy, as the small businesses run by each cooperative member continue to expand and develop, allowing them to purchase various necessities to support their lives and businesses. This statement was reaffirmed by informant B1 who stated, *"...when I joined KKI, the business was not small enough so that income was insufficient and could only meet daily needs for a month, and sometimes it was insufficient." However, my circumstance changed when I received business capital from KKI, and as a result, my family's financial situation began to improve. When KKI expanded, capital loan assistance changed, with the nominal loan amount increasing. These loans also helped businesses expand and generate large profits, so they were used to purchase various electronic goods, including fans, refrigerators, freezers, gas stoves, motorcycles, cars, boats, house renovations, building boarding houses, umrah, and paid university tuition fees for children."*

As KKI developed, more and more activities that empowered cooperative members' mothers and provided social benefits were carried out. B3 affirmed the information provided by B1 as follows: *"...the empowerment carried out by KKI for mothers was very beneficial because as long as it encouraged me, I became more confident and motivated. I was encouraged to improve my family's economic situation so that I could experience the results, namely a change in social status in which I was respected more by my family and trusted more by my neighbors."*

Informant B2 also provided the following statement: *"I used the knowledge I gained from KKI to improve the lives of those around me by teaching my family to save money, assisting others, and respecting others. I never imagined that joining KKI would bring me to this point; I am extremely appreciative that I have become a person who is helpful to others."*

Activities with KKI field officers provided numerous benefits, as participants were taught various matters, such as environmental cleanliness. The following are the results of the interviews confirmed by informant A2 regarding environmental impacts: *"...routine activities in KKI include holding weekly meetings with KKI field officers, after which the officers always remind us to keep the meeting location clean, which encourages us to provide trash cans at home." In addition, they teach families how to properly dispose of garbage and maintain the river's cleanliness because they reside nearby. This behavior emerges and is practiced because it becomes a habit during social gatherings so that individuals become aware that the environment must always be protected."*

Meanwhile, the sustainability benefits for the community or cooperative members have been confirmed by cooperative members who have been a part of KKI for approximately ten years, with the support of multiple pieces of evidence such as the publication of a book titled *Mimpi Itu, BISA* (A storybook of seven KKI members who could achieve their dreams in 2016) and website data. Table 4 provides an explicit summary of these explanations.

Table 4. Benefits of Sustainable SE to the Community

Economic Benefits	Results
Member's economy improved.	Each member's small business grows and generates profits, allowing them to buy fans, stoves, refrigerators, freezers, motorbikes, cars, boats, boats, house renovations, houses, umrah, boarding house businesses, and pay tuition fees for children.
Social Benefits	Results

Change of social status	The women's social status changed due to their economic empowerment, including increased respect from their families and trust from their neighbors.
Pioneer of social change	KKI's empowerment activities encourage mothers to change people's lives in the neighborhood by teaching families to save money, help others, and respect others.
Environmental Benefits	Results
Awareness of Environmental Cleanliness	Field officers taught the women to maintain cleanliness, encouraging them to provide trash bins in their homes, teach their families to dispose of trash in its proper place, and keep the nearby river clean.

Source: Primary data, 2023

The results have been specified in each of the tables above, which were generated by gathering the interview data and organizing it systematically, orderly, and meaningfully. We then conclude and organize them in tables. The results of these tables illustrate the implementation of strategies that can promote SE sustainability in MFIs that benefit organizations and communities. The benefits of sustainability discussed in this study are drawn from numerous previous studies (Wanyoike & Maseno, 2021; Saebi *et al.*, 2019; Moizer & Tracey, 2010). The following figure illustrates the research results:

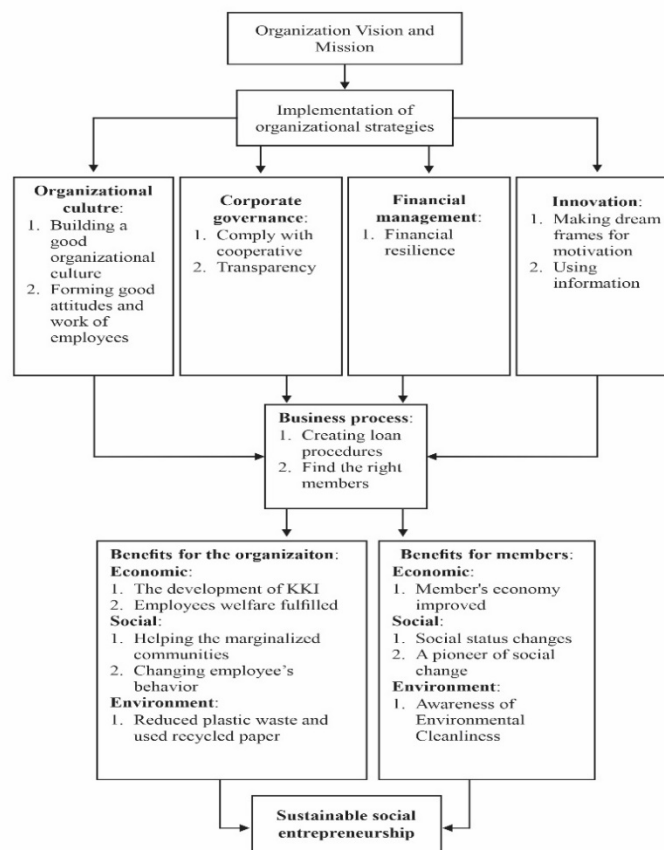


Fig.1: The Sustainability Model of SE that Delivers Benefits

This study demonstrates that implementing organizational strategies to support business processes can promote SE sustainability at MFIs and optimize their benefits. Hence, such implementation must

be supported by organizational strategies, including organizational culture (Abdullah et al., 2017), corporate governance (Pestoff & Hulgård, 2015), financial management (Oliński, 2020; Popov et al., 2019), and innovation (Duarte Alonso et al., 2020).

Organizational culture to support SE activities is crucial in delivering benefits. Our results indicate that the organization develops its culture by (1) establishing clear regulations, like a prohibition on receiving any form of compensation from the members and KPI-based employee evaluation, (2) supervising the implementation of organizational SOP, (3) developing positive attitudes and work behavior like discipline, responsibility, and reliability (Abdullah et al., 2017; Yaari et al. 2019). Thus, the organization develops a culture conducive to its activities or business processes.

The results also indicate that corporate governance is crucial for supporting business processes, so advisory and supervisory boards comprised of experts in their respective disciplines are appointed from outside the organization, and two members of KKI were also appointed to the advisory board. The appointment of advisory and supervisory boards aimed to adhere to cooperative rules. The supervisory and advisory boards are responsible for supporting the organization's activities through decision-making or policy-making (Colenbrander et al., 2017; Smith & Woods, 2015; Yu, 2013). Besides, the organization also implemented transparency by providing audited annual financial statements, although not mandated by the government.

The implementation of sound financial management also bolstered the success of the SE organization because lending without collateral to members or communities necessitates the consideration of effective funding strategies. Our findings indicate that KKI's financial resilience was supported by establishing a funding system for its activities using 50% organization funds and 50% third-party loans, increasing installment terms from 25 to 40 weeks, and tightening joint responsibility. Financial resilience must be considered because it allows social enterprises to surmount financial constraints (Popov et al., 2019; Oliński, 2020; Bhatt & Ahmad, 2017).

This research demonstrates that innovation was used to support SE's business processes. Innovations, such as semi-automated information systems, were utilized to assist the organization in discovering the profiles of members who have problems with installments and the due date of KKI loans to third parties. The organization utilized websites and other forms of information technology to inform its activities. Similarly, several studies underscore the importance of applying information technology to support SE activities (Vrontis et al., 2021; Lubberink et al., 2019; Gawell, 2013). Besides, innovation is not only related to technology to support processes and activities (Evans et al., 2017), as indicated by the creation of hope frames by women as cooperative members to motivate them to grow and achieve their dreams.

SE's business processes that are supported by implementing organizational strategies will arguably achieve the benefits of sustainable social entrepreneurship. Therefore, SE must develop business-supporting processes. Our findings indicate that the social entrepreneurship sustainability process provides benefits because the business process works, i.e., officers conduct outreach to find the appropriate members; this socialization is specifically for housewives with small businesses hailing from disadvantaged families. Thus, socialization aimed to inform them of the organization's role in their lives and vice versa and to identify their shared values with those of the organization (Hsieh et al., 2018; Evans et al., 2008), and then developed legitimation to promote positive behavior among potential members as customers (Chen et al., 2021). After that, the officers made surveys to ensure they were eligible to become members, as the organization wishes to ensure its value resides in the individual by identifying eligible candidates (Hsieh et al., 2018; Chatman, 1991).

After acquiring the appropriate members, the business processes must be supported by the loan approval process because empowering members was accomplished by providing loans to facilitate members' business growth. Loan approval processes within an organization must account for portfolio risk and selection bias (Tchakoute-Tchuigoua & Soumaré, 2019). Therefore, the organization required

that each member form groups, attend motivational courses, be financially literate, and comprehend administration, organizational regulations, and shared responsibility. The loan approval process aims to reduce loan repayment issues; therefore, it is necessary to evaluate loan approvals to maintain SE's financial and social performance (Geng et al., 2020; Abrar, 2019).

Further, business processes can promote SE sustainability to provide organizations and communities with economic, social, and environmental benefits (Lubberink et al., 2019; Herlina & Fazriyah, 2020). The development of KKI demonstrates the organization's economic benefits by increasing the number of assets and ensuring the well-being of its employees. Then, more marginalized individuals who received assistance and more employees with changing behavior indicate the social benefits experienced by the organization. The organization's contribution to environmental sustainability by reducing plastic waste and utilizing recycled paper represents its environmental benefits. The community also experienced economic benefits in an increase in the member's standard of living and business activities. The perceived social benefit was a change in social status and the opportunity to be a social change pioneer. In the meantime, the environmental benefit was environmental awareness. The three benefits experienced by the organization served as sustainability benchmarks (Chaivirutnukul & Chandrachai, 2019; Sung & Park, 2018; Eccles et al., 2014).

5. Conclusions

Establishing SE at MFIs will arguably facilitate positive changes in the lives of marginalized groups of people, but social entrepreneurship's sustainability must support it. SE activities in microfinance aim to assist disadvantaged communities, but several examples demonstrate that the activities are not beneficial. The results of this study indicate that sustainability in SE must be supported, and it is necessary to employ organizational culture, governance, financial management, and innovation to support SE's business processes. After achieving sustainability, the activities can provide organizations and communities with economic, social, and environmental benefits, which become SE activities' outputs.

6. Research Contributions, Limitations, and Future Research Agenda

6.1. Theoretical Contribution

Strategy implementation aims to promote SE sustainability so that its activities deliver changes or benefits to organizations or communities. Hence, the sustainability objective supports the theory of change that argues that activities must provide changes due to their benefits and serve as the basis for (Stein & Valters, 2012; Vogel, 2012; Valters, 2014). Thus, the benefits of sustainability are reflective of microfinance's SE activities.

6.2. Practical Contribution

SE's business processes can offer benefits due to SE sustainability in microfinance. This occurs because it is supported by strategy implementation; therefore, it is anticipated that our research can be used as a reference by microfinance stakeholders so that the activities conducted are beneficial.

6.3. Limitations and Future Research Agenda

This study has limitations because it examines a sustainable SE and provides benefits only from the perspective of implementing organizational strategy in business processes. Hence, it is also necessary to consider other factors, such as individuals and human resource management, that contribute to the sustainability of SE to create a unified model. In the future, it will be possible to construct and quantitatively test a sustainable SE model to make a theoretical contribution to SE research.

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