Relationship Between Environmental Factors And Sustainability Of Social Ventures In Kenya: A Survey Of Registered Charitable Children Institutions In Mombasa County

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Abstract:
Social entrepreneurship is becoming more widespread in the world with an increasing economic value it brings to the national markets. Social enterprises can play a key role in tackling societal and environmental challenges and supporting inclusive growth. The main purpose of this study was to determine the relationship between environmental factors and sustainability of social ventures in Kenya. Specific emphasis was on 53 registered charitable institutions in Mombasa County. The specific objectives of the study were: to determine the relationship between donors funding and sustainability of registered charitable institutions in Mombasa County and to assess the relationship between community attitude and sustainability of registered charitable institutions in Mombasa County. The study was based on theory of sustainability and stakeholder. The study used a survey research design. A census technique was used to pick institution managers as respondents. Research questionnaires were used. Descriptive and inferential statistics were used. Results revealed that donors’ funding had a P value=0.002 while community attitudes scored a P value=0.004, indicating a strong relationship sustainability of children charitable institutions. It was concluded that donor funding and community attitudes have positive relationship with sustainability of social ventures in Kenya.

Keywords: Charitable institution, Sustainability, Donor funding, Community attitudes, Environment, Social venture

1. INTRODUCTION

Sustainability means development that meets the needs of the present without compromising the ability of future generations to meet their own needs, (Bruntland Report World Commission on Environment and Development, 1992). On the other hand, social venture is an undertaking by a social entrepreneur seeking to provide systemic solutions to achieve a sustainable, social objective. Social ventures can be for-profit or nonprofit. What’s important is that they focus on social issues and addressing ways to get society “unstuck,” not just by solving the problem at hand, but rather by changing the entire system, building awareness of the solution and educating and encouraging others to get involved.

Social entrepreneurship is becoming more widespread in the world with an increasing economic value it brings to the national markets. Social enterprises can play a key role in tackling societal and environmental challenges and supporting inclusive growth. In the context of this study, therefore, it connotes that all ventures, both social enterprises and new businesses, must achieve sustainability before becoming viable in the long term, but there are many gaps in understanding how this process occurs. Social enterprises are proactive innovations aimed for social and economic benefit of a target group or locality rather than personal profit initially new social ventures aim to address local issues but later the focus may evolve to a broader application, (Douglas, 2006).

Social ventures are worldwide both in the developed world and developing world. In the developed world they are faced with unparalleled challenges in environments characterized by growing needs for all types of human services and a shrinking resource base (Chen et al., 2006). In developing countries characterized by widespread poverty, the situation is often much worse since those governments are often unable to meet even the basic needs of their people (Thompson & Doherty, 2006). Traditionally, social ventures have been concerned with assisting the impoverished, those who experience long-term unemployment, and those who exist on government subsidies to acquire the job skills and job training they need to secure employment. Certain disadvantaged groups throughout the world, such as individuals with disabilities, convicts, the homeless, and individuals with substance abuse histories, have disproportionately experienced long-term unemployment and have been helped into the labor market through social ventures started by not-for-profit organizations (Census Bureau, 2004/2005). The loss of manufacturing and unskilled labor jobs in developed countries such as the United States and the United Kingdom has contributed to the development of regions in those countries characterized by chronic unemployment, with social ventures used to reduce unemployment in those regions (Easterly-Klaas, 2005).
Charitable children institutions (CCIs) play a very critical social economic role globally. They provide a political safety valve for governments that are unable or unwilling to tackle the complex social and economic factors driving families to place their children into care (Browne, 2009). They also provide a hiding place for the worst casualties of poverty, social exclusion and discrimination, as well as for children with specific care needs. Browne (2009) further argues that CCIs provides a relatively easy, visible and contained ‘solution’ to the complex problem of separated, orphaned and abandoned children. Another role is that CCIs provides a neat administrative structure through which funds can be dispersed and accounted for. CCIs provide a tangible output in exchange for donor support and are, therefore, appealing to donors wishing to help as well as to recipients obliged to report on the use of funds (Browne, 2009). Besides, several employees continue to draw their livelihood from CCIs through employment. All these roles and contribution of a CCI’s calls for sustainable CCI’s, it is therefore imperative that efficient and effective management strategies for sustainable CCI’s in Mombasa County are implemented.

Over 50 million orphaned children Sub-Saharan Africa. The growing orphan crisis has become a burden to many communities and has weakened the ability of extended families to meet traditional care-taking expectations (Embleton et al., 2014). At the same time, orphaned and separated children are living in households with extended family members are significantly less likely to have an adequate diet compared to children enrolled in child-based development programs in CCIs. Besides the chronic malnutrition among the children living in communities, 80% of children turn to street life because of extreme poverty or neglect in the home (Whetten, Whetten, Ostermann, &Itemba, 2008). This underscores the importance of the child based development programs.

In the Kenyan context, it is estimated that six million children require special care and protection, of which approximately 2.4 million children are orphans either because they have lost one or both parents. While most of these orphans are cared for by family members, many of them are either in the charitable children institutions (CCI), on the streets, or in child-headed households. The idea of social venture is an episode which is comparatively new in the world of entrepreneurship.

A social venture is an undertaking by a firm or organization established by a social entrepreneur that seeks to provide systemic solutions to achieve a sustainable, social objective. In social venture, organization and committed individuals identifies an unfortunate stable equilibrium and makes an effort to address that unfortunate situation by coming up with a solution to addressing it, for example, a home for the orphan and neglected children to ensure that they are fed, educated and clothed(Roger &Osberg, 2007). Social ventures have become one of the platforms on which the problems of the disadvantaged and vulnerable groups in a community are solved. The growth and capacity to create social value in a community is supported by social ventures. It is imperative that the sustainability of these ventures are properly investigated and deeply understood. This therefore, calls for this study to investigate on the relationship between environmental factors and sustainability of charitable children institutions in Mombasa County.

2. STATEMENT OF THE PROBLEM
The major problem of sustainability for most charities and philanthropic organizations is that they do not produce commercial outputs. Those charitable or organizations that do produce a saleable commodity, frequently convert to for-profit organizations. Those that cannot or do not produce saleable commodities nevertheless provide vital services such as disaster, family welfare and counseling, and emergency relief (Chetkovich & Frumkin 2003). They provide both public and private goods that caring society’s desire, but have difficulties in sustaining themselves. Charitable organizations may rely heavily on donations and carry out fundraising as a source of income. They operate in an increasingly competitive context where being sustainable has emerged as a critical issue (Chetkovich & Frumkin 2003). Given such a scenario charitable organizations in Mombasa County are no exception. They face similar issues in an effort to manage their sustainability. This therefore, necessitated for this study seeking to examine the relationship between environmental factors and sustainability of charitable children institutions in Mombasa County.

3. OBJECTIVES OF THE STUDY
This study was guided by the following specific objectives; to determine the relationship between donors funding and sustainability of registered charitable institutions in Mombasa County and to assess the relationship between community attitude and sustainability of registered charitable institutions in Mombasa County.

4 LITERATURE REVIEW

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4.1 Theoretical review

4.1.1 Theory of Sustainability

This study is anchored on Theory of Sustainability. Uzuegbunam, (2013) has it that the social responsibility theory was born as a result of problems created by its predecessor, the libertarian theory of the press. This was in the twentieth century. Corporate sustainability can be viewed as a new and evolving corporate management paradigm. The term ‘paradigm’ is used deliberately, in that corporate sustainability is an alternative to the traditional growth and profit-maximization model Mel, (2003). While corporate sustainability recognizes that corporate growth and profitability are important, it also requires the corporation to pursue societal goals, specifically those relating to sustainable development, that is environmental protection, social justice and equity, and economic development. The concept of corporate sustainability borrows elements from four more established concepts: sustainable development, corporate social responsibility, stakeholder theory, and corporate accountability theory.

Sustainability describes a form of economy and society that is lasting and can be lived on a global scale. The society-changing potential of the claim: ‘More justice between generations, more global justice at the same time’ faces the peril of getting out sight. Sustainability is just not the trivial general claim to take social, economic and environmental policy serious independent of any relationship in time and space and to strike a sound balance between these aspects Ekardt, (2009).

The theory is meant to show that for any entrepreneurial venture that an individual or group of individuals might come up with should first and foremost focus on sustainability. This is because many small and big ventures have been dying as a result of lack of sustainable development.

2.2.3 Stakeholder Theory

A Freeman defined a stakeholder as “any group or individual who can affect or is affected by the achievement of the organization’s objectives.” The basic premise of stakeholder theory is that the stronger your relationships are with other external parties, the easier it will be to meet your corporate business objectives; the worse your relationships, the harder it will be. Strong relationships with stakeholders are those based on trust, respect, and cooperation Freeman, et al, (2004).

The contribution of stakeholder theory to the corporate sustainability is the addition of business arguments as to why companies should work toward sustainable development. Stakeholder theory suggests that it is in the company’s own best economic interest to work in this direction because doing so will strengthen its relationship with stakeholders, which in turn will help the company meet its business objectives.

Stakeholder theory therefore is helpful as both an instrumental and normative frame. Normative stakeholder arguments have emerged declaring that firms have a moral obligation to uphold the interests of all corporate stakeholders (Wicks, Gilbert, and Freeman, 2010). Instrumental stakeholder theory recommends managers inducement of constructive contributions from their stakeholders to attain goals for company efficiently. If a balance between normative and instrumental stakeholder theory retains, social ventures will stand on moral values or not actual, thus it will not effect on the sustainability of charitable children institutions.

4.2 Empirical Review

4.2.1 Donors’ Funding

The adequacy of funds is of paramount importance to the successful implementation of projects. Inadequate funding has a major impact on the number of beneficiaries of a project, the Roll Back Malaria project, established in 1998, aimed to halve malaria incidence by 2010. The program needed $1.9 billion a year to slow the disease in Africa, but by 2002 donors had only come up with $200 million a year, and consequently, by 2004 the infection rate had risen by 12 percent (Narasimhan, and Attaran, 2003). Funding gaps affect organizational productivity, as the size of the funding gap increases, the reduction in the rate of development following the gap increases as well. The longer the funding gap, the larger the productivity loss following the gap (Trammell, Madnick, and Moulton, 2012). In addition, Angba, and Okon-
Kutman, (2008) posit that Nigeria noted that 85.6% of the respondents perceived inadequate capital as being very serious impediment to development programs in the local communities.

The successful rehabilitation and reinsertion of social ventures is often very resource demanding. Costs variations are best projected by assessing two key factors: how much time will sustainable rehabilitation and reinsertion take in the case of target group, and how qualified (that is, costly) does the staff need to be to deal with their level of trauma. These two factors will depend on the experiences the child had prior to ending in the street, the length of time the child has been exposed to street life, the age at which the child ended up in the street, the age of the child today, the amount of violence and abuse to which the child has been exposed in the street, the value of the child’s present and potential social network, the amount and quality of support the child has received from individuals and other projects Earls and Carlson (1999). To that effect, Scott, (2003) established that funders are reluctant to fund administrative costs that cannot be directly tied to a project or program and that funding is being provided for shorter periods of time, and is increasingly unpredictable. Scott predicts that these emerging funding patterns can lead to volatility this consequently means as organizations struggle to diversify their funding sources; they can experience huge swings in revenue. This volatility undermines an organization’s stability and its capacity to provide consistent, quality programs.

4.2.2 Community Attitude
Ferri, (2011) posits that participation by citizens in social purpose organizations, whether actively or inactively, promotes the creation of social enterprises; while Knitzer and Adely (2002) loud that over the past decade, considerable public and private attention has been focused on strengthening strategies for early childhood development and family support. Therefore, to ensure positive development among children being rehabilitated, participation in all the community activities is encouraged while stability, love and attention at the centres help the child enter formal education in local schools with dignity. In the same line, Enshassi, et al, (2009) remark that interaction with peers both from within and outside the projects are also encouraged. This relationship brings the project (and its children) into the community and the community into the project.

Therefore, the support of community members in the various projects and programs ensures that the needs of the community are met. According to Nyaguthii, and Oyugi, (2013) community participation helps on the successful implementation of CDF projects; whereby 85% of the respondents felt that involving the local residents in identification, monitoring and implementation of the projects would increase the level of satisfaction for the residents and also enable development committees to come up with projects that would best benefit the society. Further, Kinoti, (2012) lauds that participatory decision making contributes to the improvement of an organization’s effectiveness and efficiency hence, improving its performance and sustainability.

4.2.3 Conceptual Framework

![Figure 1: Environmental Factors and Sustainability of Registered Charitable Children Institutions](image)

**Independent Variables**

- Donor Funding
- Community Attitude

**Dependent Variable**

- Sustainability of Registered Charitable Children Institutions

5. METHODOLOGY
The study adopted a survey research design in order to explore the relationship between environmental factors and the sustainability charitable children institutions. The information was gathered on a target population at a single point in time to collect comprehensive, systematic and in-depth information about a particular case (Abuto, 2016). The target...
The population of the study comprised of 53 registered charitable children institutions in Mombasa County on the basis of the size of the venture and the level of institution development of a particular institution. The respondents therefore, were the charitable children institutions managers. These managers were suitable in providing the much needed information pertaining to the study. A census technique was employed where all the 53 respondents were picked for the study. This is because the respondents’ number was small and manageable within the constraints of the study (Mugenda, 2008).

5.1 DATA COLLECTION AND ANALYSIS

Data was collected through the use of questionnaires; it contained only closed-ended questions. The closed-ended questions were used to limit the respondents’ answers on the subject matter for effective and efficient analysis (Mugenda, 2008). The questionnaires were self-administered to the CCI’s managers of the social ventures (registered charitable children institutions in Mombasa County) on the ‘give and take up later basis,’ who were given a period of seven days to fill them. Where the respondents were faced with some serious challenges of completing the questionnaire, the researcher was forced to have a face to face discussion in order to help the respondents’ successfully answer the questions.

Data were analyzed using statistical package for social sciences (SPSS version 21), in which a Multiple Linear Regression Analysis was used as an analytical tool to examine the relationship between environmental factors and the sustainability of registered charitable children institutions in Mombasa County. The reason for using this statistical tool was that it is best suited in establishing any kind of a relationship between variables under study, hence a reliable test to adopt for the study (Kombo and Tromp, 2006).

6. DISCUSSION OF THE RESULTS

6.1 RESPONSE RATE

Out of 53 questionnaires that were issued to respondents, 44 were successfully completed and returned for analysis hence giving the study an 83% response rate: About 9 questionnaires were never returned, which is equivalent to 17%. The questionnaires were directed at charitable children institutions’ managers Mombasa County, who formed the unit of analysis for the study as shown in table 1 below.

Table 1: Response Rate

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Number of respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected responses</td>
<td>53</td>
<td>100</td>
</tr>
<tr>
<td>Received responses</td>
<td>44</td>
<td>83</td>
</tr>
<tr>
<td>Not received responses</td>
<td>9</td>
<td>17</td>
</tr>
</tbody>
</table>

Source: Research Data

6.2 RESEARCH DETAILS

6.2.1 RELATIONSHIP OF DONORS’ FUNDING

Table 2: Donors’ Funding

<table>
<thead>
<tr>
<th>Aspects</th>
<th>Frequency</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sources of funds networking</td>
<td>44</td>
<td>4.4167</td>
<td>0.5036</td>
</tr>
<tr>
<td>Donors involved</td>
<td>44</td>
<td>4.3750</td>
<td>0.4945</td>
</tr>
<tr>
<td>Level of sustainability</td>
<td>44</td>
<td>4.3750</td>
<td>0.7109</td>
</tr>
<tr>
<td>Institution’s sustainability</td>
<td>44</td>
<td>4.4583</td>
<td>0.5090</td>
</tr>
<tr>
<td>Children supported</td>
<td>44</td>
<td>4.5000</td>
<td>0.5898</td>
</tr>
<tr>
<td>Income generating units</td>
<td>44</td>
<td>4.3333</td>
<td>0.4815</td>
</tr>
</tbody>
</table>

Source: Research Data
Respondents were asked to indicate the level of agreement or disagreement on various parameters of donors’ funding. Thus the results in table 2 above showed that reliable sources of funds networking and donor support had a mean of 4.4167 with standard deviation of 0.5036 and numbers of partnerships or donors involved in the programme had a mean of 4.3750 with standard deviation of 0.4945. The level of sustainability of institutes’ programme had a mean of 4.4583 and standard deviation of 0.7109, whereas institution’s level of sustainability scored a mean of 4.4583 and standard deviation of 0.5090. The number of children supported in the institution had a mean of 4.5000 with a standard deviation of 0.5898, and the number of income-generating projects or units carried outscored a mean of 4.3333 and standard deviation of 0.4815. This is a strong relationship between donors’ funding and sustainability of charitable children institutions. Trammell et al., (2012) concur with the findings where they elude that the longer the funding gap, the larger the productivity loss following the gap. This implies that for charitable children institutions to thrive and continue offerings of quality services consistent donors’ funding is very critical.

6.2.2 RELATIONSHIP OF COMMUNITY ATTITUDES

Table 3: Community Attitudes

<table>
<thead>
<tr>
<th>Aspects</th>
<th>Frequency</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community volunterships</td>
<td>44</td>
<td>4.2917</td>
<td>0.4643</td>
</tr>
<tr>
<td>Level of comments</td>
<td>44</td>
<td>4.2083</td>
<td>0.4149</td>
</tr>
<tr>
<td>Level of comments</td>
<td>44</td>
<td>4.4167</td>
<td>0.5036</td>
</tr>
</tbody>
</table>

Source: Research Data

Three parameters of community attitudes were put to test to see how related are they to the dependent variable in question. The results as shown in table 3 above revealed that community volunterships contribute to an interested level of sustainability of the charitable institutions by scoring a mean of 4.2917 with standard deviation of 0.4643. Level of comments from community advisory council had a mean of 4.2083 with standard deviation of 0.4149. The level of networking with local authorities had a mean of 4.4167 and a standard deviation of 0.5036. This is an indication of a strong relationship between community attitudes and sustainability of charitable children institutions. These findings are supported by Ferri, (2011) who posits that participation by citizens in social purpose organizations whether actively or inactively, promotes the creation of social enterprises: And Enshassi, et al, (2009) further loud that interaction with peers both from within and outside the projects brings the project and its children into the community and the community into the project. The implication, therefore, is that for charitable children institutions to fully operate and realize its maximum potential, community attitudes must be positive and supportive.

6.2.3 Discussion of results

The study findings indicate a positive relationship between environmental factors and sustainability of children charitable institutions. On the relationship between donors’ funding and sustainability of children charitable institutions, the findings are also in agreement with other studies, for example Trammell et al, (2012) who alluded that the longer the funding gap, the larger the productivity loss following the gap. This implies that for charitable children institutions to thrive and continue offerings of quality services consistent donors’ funding is very critical.

On the relationship between community attitudes and sustainability of children charitable institutions the results are also in line with what Ferri, (2011) opines that participation by citizens in social purpose organizations whether actively or inactively, promotes the creation of social enterprises: And Enshassi, et al, (2009) further loud that interaction with peers both from within and outside the projects brings the project and its children into the community and the community into the project. The implication, therefore, is that for charitable children institutions to fully operate and realize its maximum potential, community attitudes must be positive and supportive.

The essence of these findings is that for sustainability of children charitable institutions to be guaranteed, they must work and operate within acceptable parameters. Failure to which they will find themselves in unfamiliar territories: Hence it’s incumbent upon the management of those institutions to keenly observe these factors studied and others.
7. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

7.1 SUMMARY OF MAJOR FINDINGS
The purpose of the study was to determine the relationship between environmental factors and sustainability of social ventures in Kenya. The main emphasis was on registered charitable children institutions in Mombasa County. It was therefore, revealed that a good number of questionnaires were successfully completed and returned for analysis hence giving the study a strong response rate: Only few questionnaires were never returned, which gives an insignificant non-response rate. The questionnaires were directed at charitable children institutions’ managers Mombasa County, who formed the unit of analysis.

The respondents indicated the highest education level they have attained so far: And according to the revelations is that a good number of the managers lack the professional training in the management of those charitable institutions. This raised a concern of how best the institutions are managed if that is the case.

When respondents were asked to indicate the period of service they have worked in those institutions, the findings were that all of the managers running these facilities are very experienced personalities despite their education level. This therefore, calls for regular refresher course in order for them to deliver and manage to the expected desirable levels.

Firstly, donors’ funding connoted a very strong relationship between it and sustainability of charitable children institutions. This is because a good number of respondents concurred to that fact between the two. All parameters of donors’ funding examined also showed a positive strong relationship score against the dependent variable in question. This implies that for charitable children institutions to thrive and continue offerings of quality services consistent donors’ funding is a very critical factor. Because lesser or lack of funding will mean no service delivery or no running of the charitable institutions completely.

Secondly, community attitude as an environmental factor also posted a strong relationship between it and the dependent variable. All parameters of community attitudes examined also showed a positive strong relationship score against the dependent variable in question. The implication, therefore, is that for charitable children institutions to fully operate and realize its maximum potential, community attitude must be positive. This call for community support of any charitable children institution with a noble cause, because lack of it will mean non-operations of the institution designate.

7.2 CONCLUSIONS OF THE STUDY
In conclusion, it has been revealed that all the two environmental factors researched on (i.e. donors’ funding and community attitudes) posted a strong positive relationship with the sustainability of charitable children institutions in Mombasa County, meaning that they do impact greatly on the sustainability of any charitable children institutions.

7.3 RECOMMENDATIONS ON RESEARCH FINDINGS
Based on the research findings, on donors’ funding, it is recommended that for charitable children institutions to thrive and continue offering quality service, consistent donors’ funding should be availed. However this should be done on condition that a charitable children institution must meet the necessary conditions laid down by the regulatory body. Because lesser or lack of funding will mean no service delivery or no running of the charitable institutions completely.

In as far as community attitude is concerned; it is advisable that those running the charitable institutions must prove beyond reasonable doubt that are up to good of the community. This will guarantee the community’s unconditional support, hence a positive attitude towards them. Because lack of it will mean non-operations of the institution designate.

It is recommended to both the Central and County governments to censure anyone who wants to operate a charitable children institution. This is so because of such cases that have been reported of child abuse in such undertakings. And in case anyone contravenes the law, they should be seriously dealt with to serve as a lesson to others with similar inclinations. Thus clear laws or bylaws should be put in place well in advance to safeguard the integrity of the industry.

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