



# Social Impact Measurement by Social Return on Investment Based on Islamic Social Enterprise

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## Abstract

This research is motivated by socio-economic imbalance that cannot be handled properly by the government so that the presence of social enterprise is needed in the midst of society. Evaluation and sustainable development in social enterprise is necessary to maintain its existence, by measuring the social impact that results from the social mission business. The concept of social enterprise itself is generally neutral without being based on religious values. The emergence of the concept of Islamic social enterprise is a novelty. This study uses a qualitative descriptive method that aims to describe the actual conditions of the application of the Islamic social enterprise concept in a company and measure their social impact. With injection of Islamic social enterprise in the process of measurement, this research has added value than others. The subject is Catenzo shoe company located in Cibaduyut, Bandung City. Catenzo has a significant role in empowering local shoe craftsmen in that area. The population is Catenzo partner shoe craftsmen as the main recipient of the impact of empowerment, amounting to 121 people with 25 people as sample. The Social Return on Investment (SROI) method is a measuring tool used in this study. The SROI ratio calculation results show that the Catenzo shoe company succeeded in creating a social impact or benefit for the partner shoe craftsmen.

*Penelitian ini dilatarbelakangi oleh ketimpangan sosial ekonomi yang tidak dapat ditangani dengan baik oleh pemerintah sehingga kehadiran social enterprise sangat dibutuhkan di tengah-tengah masyarakat. Penelitian ini menggunakan metode deskriptif kualitatif yang bertujuan untuk menggambarkan kondisi aktual penerapan konsep Islamic social enterprise di suatu perusahaan dan mengukur dampak sosialnya. Dengan memasukkan konsep Islamic social enterprise dalam proses pengukurannya, penelitian ini memiliki nilai tambah dibanding penelitian lainnya. Subjek penelitian ini adalah perusahaan sepatu Catenzo yang berlokasi di Cibaduyut, Kota Bandung. Catenzo memiliki peran yang cukup signifikan dalam memberdayakan pengrajin sepatu lokal di daerah tersebut. Populasi penelitian ini adalah pengrajin sepatu mitra Catenzo sebagai penerima utama dampak pemberdayaan yang berjumlah 121 orang dengan sampel sebanyak 25 orang. Metode Social Return on Investment (SROI) merupakan alat ukur yang digunakan dalam penelitian ini. Hasil perhitungan rasio SROI menunjukkan bahwa perusahaan sepatu Catenzo berhasil menciptakan dampak atau manfaat sosial bagi pengrajin sepatu mitra.*



## A. INTRODUCTION

Entrepreneurs today, especially in Indonesia has not fully pay attention to external effects caused by business activities, many of them are still oriented material benefits regardless of the social, economic and environmental damage (Anwar et al., 2024; Juliana et al., 2025). It then responded with the presence of the third sector (third sector) that aims to restore the socio-economic balance in the midst of society. Third sector is driven by charitable organizations (charity organization), a non-profit (not-for-profit), and social enterprise (Purwohedi, 2016).

Social enterprise has been proven as a way to help the government tackle social problems such as poverty (Nasr et al., 2021), disease and death, and poor quality of life caused by the inability of humans (Seelos, Ganly, & Mair, 2005). Purely commercial businesses tend to give priority to focus on economic returns and fulfillment material breakthroughs and new needs, while prioritizing social enterprise focusing on social returns and serve the basic needs in the long term (Kurjono et al., 2025; Rostiani, Paramita, Audita, & Virgosita, 2014).

Business concept that aims to solve socio-economic problems makes many people believe that social entrepreneurship is a short-term project (Romdhoni et al., 2022). Yet this is precisely what distinguishes social enterprise and social activities in general, where every investment received by social enterprise investors need to have a measure of success of which must be accounted for (Permana et al., 2024). Therefore has management and operational systems is a must for social enterprise (Rostiani, Paramita, Audita, & Virgosita, 2014)

Given the fact that Indonesia has the largest Muslim population in the world, the public should realize the importance and how noble a man who is able to provide benefits for others (Hidayat et al., 2024), one of them by building businesses that have a social purpose. A director of social enterprise Community Focus Ltd, Majid Hussin, said that social impact is a must in the teachings of Islam which is in line with the model of social enterprise that has a strong emphasis on helping those less fortunate (The Guardian, 2013; Moslem et al., 2018).

Islam is a religion that there is no separation between entrepreneurship with religious activity (Juliana, Marlin, Saripudin, & Khatimah, 2018). By adding the Islamic principles in every activity, social enterprise currently needed and applied by Muslim entrepreneurs, and then came the Islamic concept of social enterprise (ISE). The main objective is to seek pleasure and blessings of Allah in this world and in the hereafter

(Boulven, et al., 2018). Every business activity will certainly affect economic growth. Economic growth in Islamic economics, not just related to the increase of goods and services, but also related to aspects of the virtues and morals and the balance between worldly and hereafter destination (Juliana, Marlina, Saadillah, & Mary, 2018).

Differentiation between social enterprise and the ISE, it is believed that the ISE operates in addition to the principles and Islamic values. In the concept proposed by Boulven, et al (2018), mentions that position ISE is in part the concept of social enterprise. As a noble mission social enterprise, Evaluation of its success is not only measured in terms of business but also the social impact they are able to provide to the public. As for the additional perspective of Islam, the factors of success is also measured in terms of mental and spiritual development of the Muslim community itself (Yaacoba & Azmib, 2012).

Related social impact measurement is then a further problem for social enterprise which is difficult to do because of the understanding of the impact of the appropriate measurement method standard is still very low (Boston Consulting Group, 2015; Monoarfa et al., 2023). In recent years, the notion of social impact has attracted attention among non-profit organization (NPO), social enterprise and providers of funds - private or public - who wants to understand, evaluate, and disclose the effect of their activities (Flockhart, 2005).

Among the impact measurement tools, Social Return on Investment (SROI) became a popular methodology - which uses a participatory framework to measure the return on social and environmental activities for beneficiaries and other stakeholders. SROI can also be used to improve managerial processes so that the organization can be more efficient and effective in achieving their social objectives. It can be used by any organization to evaluate the impact on stakeholders, to rethink the governance and management and identify ways to improve performance (Bellucci, Nitti, Franchi, Testi, and Bagnoli, 2018). SROI analysis is still one of the most widely and easily communicated its approach to measure the social impact (Maier, Schober, Simsa, and Millner, 2015).

As a consequence of an investment, then logically the assessment of investment returns become important (Janah sojanah et al., 2025). However, in practice many companies have not made the process of assessing the social investment that has been done, especially in the case of an indirect result (outcome) and related to the impact (impact) is produced, so that the process of assessing the social impact of the

investments made a challenge for companies (Santoso, Adinegara, Ismanto, Mumajad, & Mulyono, 2018). Orientation only based on the output will be less than optimal in capturing the value created from a program, because the essence of a program or activity will be said to be successful if it can provide a positive change for the stakeholders (Purwohedi, 2016).

Based on these descriptions, making the growing importance of measuring the impact on outcome-oriented and not on output alone. In addition, the authors conclude that it is important to incorporate the spiritual aspect and take them into consideration the assessment of the impact of a business activity carried out by Muslim businessmen. The author decided to make the measurement of the impact of one of the shoes in Cibaduyut namely Catenzo.

## **B. RESEARCH METHODOLOGY**

Bandung, which can be categorized as a social enterprise. The company is a manufacturer of shoes "Catenzo", part of Miski Aghnia Corporation, which is located at Jl. Cibaduyut Raya No. 10, Bojongloa Kidul, Bandung, West Java. The study was conducted from August to November 2019.

This study is a qualitative descriptive study using a measuring instrument Social Return on Investment where technically refers to the official guidelines issued by the institute Social Value UK.

The population in this study were the craftsmen shoes partnership with Catenzo. The shoe craftsmen population numbered 121 people and taken a sample of 25 people. The sampling technique used convenience sampling where samples were selected from those who are willing to be sampled and those who have the closest production place and easily accessible by the author.

The number of samples taken for the presence of several limitations, namely in terms of manpower, money, time and the lack of research subjects who are willing to study. This is in accordance with the opinion Arikunto (2008, p. 116) with a population of more than 100 can be taken between 10-15% or 20-25% or more. The determination of the number of these samples considering the saturation of the data, which the authors no longer continue collecting data when the data has begun to find the saturation point or in other words no longer find a new information (Creswell, 2015). Determination of the number of samples with consideration of data saturation

was also supported by official guides method of Social Return on Investment (Nicholls, Lawlor, Neitzert, and Goodspeed, 2012, p. 26).

This research instrument prioritize interview techniques. The questionnaire in this study was not used as a means test the validity of data. Answer a questionnaire used to better understand and complete the interviews. In addition, the study of literature is needed writers. Main references in this research is the official guide of the Social Value UK berjudul "A Guide to Social Return on Investment", and a book written by Superior Purwohedi entitled "Social Return on Investment (SROI): A technique for measuring the benefits / impact of a program or project". Later in this study required number of reference in determining the amount of financial proxies to give value to a predetermined impact, this value also obtained from various sources of literature.

Throughout the stages that must be passed in this study refers to the 6 (six) phases of the study method stages SROI analysis, namely:

1. Establishing Scope and Identifying Key Stakeholders
2. Outcomes Mapping
3. Evidencing Outcomes and Giving Them a Value
4. Impact Establishing
5. Calculating the SROI ratio
6. Reporting, Using and Embedding

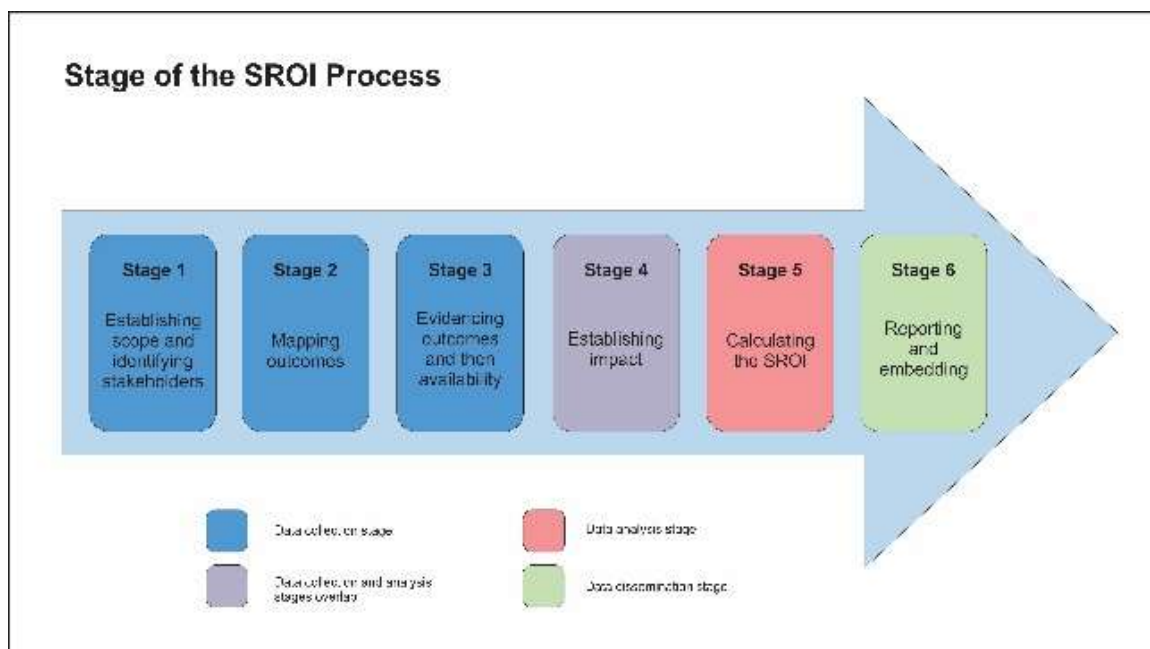


Figure 1. Stages of SROI method

## C. RESULT AND DISCUSSION

### Result

#### 1. Social Enterprise

Regarding the definition of social enterprise, to date the practitioners and academics still memperdebatkannya so that there is no definition of who is formally approved (Alter, 2007). Alter (2007) and Brouard (2011) suggests the definition of social enterprise was first coined by the organization The Roberts Enterprise Development Fund (REDF) in 1996.

REDF defines social enterprise is a revenue generating business that was established to create economic opportunities for very low-income individuals, while simultaneously operating with reference to the financial bottom-line (Alter, 2007). There are so many ways to describe the definition of social enterprise. However, in addition to expanding the definition of social enterprise, basically a social enterprise business activities whose profits are used to achieve social purposes (UCL, UCLB, UnLtd, STORM, 2013). More simply, the Social Enterprise Coalition (2003) says that social enterprise is an organization who do business with a social purpose.

#### 2. Islamic Social Enterprise

Besides growing interest in and study of social enterprise and social entrepreneurship, Adib, et al. (2015) suggested that the study is based on the Islamic concept of social entrepreneurship is still relatively new so it is difficult to find a model that focuses on the social enterprise Islamic perspective. According to him, it is time for the community to implement the concept that needed further study.

Adib, et al. (2015) in a study done by the method of analysis, comparative and expert consultation found that the ISE consists of 11 concepts including the concept of the caliphate, the concept of brotherhood, the concept of economic jihad, the concept of fairness and balance, the concept of public welfare, the concept of building and developing social value, the concept of al-Falah (the success of the world and the hereafter), the concept of *amar maruf nahi munkar*, virtue and social security concept, the concept of economic improvement of the people, and the concept of zakat, alms, and endowments.

In a study conducted by Mulyaningsih & Ramadani (2017), they put forward the concept of ISE consists of three motives or goals of profit motive, social motive, and spiritual development. Three objectives are derived from the value of the teachings of

Islam are believed by all Muslims is the concept *habbluminannas* (relationships with humans) and *habbluminallah* (relationship with God). Then, Kamaruddin & Auzaira (2018) summed up some of the principles and values of Islam as' *Adala* (social justice), *ihsan* (benevolence), trust (confidence), sincerity (sincerity), mercy (compassion) and accountability Islami is expected to put into practice in ISE.

### 3. Social Impact

Authoritative definition of social impacts are impacts that "covers all social consequences and culture on a group of certain human caused any public act or private change the way how people live, work, play, relate to one another, seek fulfillment their needs, and generally seek a decent society (Burdge & Vanclay, 1996).

Vanclay (2003) revealed from a social standpoint, a simple and appropriate way of conceptualizing social impacts is as changes to one or more of the following:

- a. Way of being - that is, how they live, work, play and interact with each other every day;
- b. Their culture - ie, shared beliefs, customs, values and languages or dialects;
- c. Their community - cohesiveness (cohesion), stability, character, availability of services and amenities;
- d. Their political systems - the extent to which people can participate in decisions that affect their level of democratization that is happening, and the resources provided for this purpose;
- e. Their environment - air and water quality and the use of inhaled society; the availability and quality of the food they eat; the level of hazard or risk, dust and noise they face; adequacy of sanitation, personal safety, and access to and control over the use of natural resources;
- f. Health and well-being - physical, mental, social and spiritual well-equipped and not merely the absence of disease or infirmity;
- g. Personal rights and their property rights - particularly whether people are economically affected, or experience personal disadvantage which may include a violation of their civil liberties;
- h. Fears and aspirations - their perceptions about their safety, their fears for the future of society and aspirations for their future and their grandchildren.

#### **4. Social Return on Investment**

Then the measuring instrument used is the Social Return on Investment (SROI), it is still very rare used in Indonesia. Nicholls, et al. (2012) suggested SROI is a method that can be used to measure the "return" of the business social activities undertaken by the company. SROI is a framework to measure a broader concept of value, seeks to reduce inequality, environmental degradation and improve well-being by incorporating social, environmental, and economic benefits.

According to Yates & Marra (2016), SROI is a form of evaluation that offers answers to questions about the purpose, intent, and utilization. SROI attempt to use resources carefully to the input of resources, the activities carried out, the process, and the results achieved by enterprises societal evaluation form. Rotheroe & Richards (2007) add briefly that SROI measure the value of social product created by the social enterprise is then linked to the relative costs necessary to achieve those results.

SROI has a strategic advantage compared to other investment measurement tool that focused on the calculation of the financial aspect only. SROI involve stakeholders (stakeholders) of an activity or program to be analyzed to explore the impact is felt after the activity or program is running. Through the involvement of these stakeholders, SROI will provide a much more comprehensive analysis and implementable than other investment measuring tools such as cost-benefit ratio and the incremental ratio (Purwohedi, 2016)

#### **Discussion**

##### **1. Application of Islamic Social Enterprise**

Catenzo Shoe Company incorporated in Miski Aghnia Corporation is well known by the public as one of the local shoe brand quite have a competitiveness and have an influence in the development of the Footwear Industry Cibaduyut who have directly participated empower and maintain the existence of a local shoe craftsmen Cibaduyut. Expressed in the vision, mission and commitment of the company that brings social value, Catenzo also appeared to apply Islamic values in their business activities. It is known by the authors of several structured or unstructured interviews of employees, consumers and craftsmen Catenzo shoes.

To identify what and how the application of Islamic social enterprise (ISE) at the company Catenzo, the authors conducted interviews and gave questionnaires to one representative of the management company that Mr. Erick as Human Resources

Manager who has 10 years of working together with the leaders of the company developing the company Catenzo so he is quite plausible and credible to be a key informant in the study of this phase.

Have known there are some characteristics of ISE obtained from various sources. The author only choose six (6) characteristics of the ISE in accordance with the research object because of all six of these characteristics is sufficient to represent the whole. The author makes a questionnaire with a checklist form in which the respondent lives to sign the check (√) the appropriate points. This facilitates the use of a check list writer knows nothing any ISE application that has been done because at this stage the writer just simply need information from one of the company's management related to the implementation of Islamic values in which the author uses the characteristics of ISE. Characteristics of the ISE is *falah, khalifah, amar ma'ruf nahi munkar, amanah, rahmah, dan itqan*.

Based on the explanation put forward by the management Catenzo, Mr Erick as representative reliable, Belau stated that the owner Catenzo very aware of the importance of Islamic values, uphold and always urged Islamic values applied in any business activity Catenzo.

An interesting thing when talking about the development of the company's performance, he admitted that Catenzo not necessarily always increase. Currently Catenzo have problems being faced by the decline in sales resulting decline in turnover of up to 40%, in 2019 this was the worst year ever experienced Catenzo. This he did in business acknowledge because it does not always guarantee no increase, there must be time to go up and down, is constantly fluctuating in addition it is their internal and external influences. And this of course does not alter the company to continue to implement Islamic values in their business activities. Fluctuations may mean that their business performance does not degrade spirit of doing business based on the principles of Islam, on the contrary, that the principles of Islam which is believed to be the power company endeavors and resignation to Allah. As word of Allah in Surah Hud verse 56.

A decrease in performance, reduced turnover or losses did not make the company deviated from the values of Islam which has been applying. As a Muslim entrepreneurs, they hold the principle and is committed to conducting business or work to earn the pleasure of Allah. As stated by Aini, Iqmal, and Kamaruddin (2018) in his research entitled "Positioning Islamic Social Enterprise", that the characteristics of ISE is a company that has a foundation that is based on the *maqashid sharia*. Therefore,

the material benefits is not the only purpose of this company.

The ISE implementation of the points that have been described with regard to shoe craftsmen regularly in the form of public lectures (training / education) in order to improve performance, providing a considerable advantage for the cost of living craftsmen and family, maintaining the company's profitability to remain stable and sustainable, using contract-contract transactions in accordance Shari'ah, using production materials kosher, the use of raw materials for production are processed effectively and efficiently, achieve a reasonable profit in accordance with the quality of the products, using raw materials of local production, provide loan capital to the craftsmen partners, regularly conduct studies Islami, have a clear agreement about the rights and obligations the partnerships, providing the amount of margin that appropriate and timely, establish and maintain a relationship with the craftsmen partners, always trying to resolve the issue amicably without prejudice to either party, and chose to partner with shoe craftsmen skilled in the art so that the partnership can last for years.

Previously known that there are many craftsmen who can not manage materials production well so that the issue of excess capital. With the extension and holding public lectures from Catenzo expected that the partners craftsman is able to manage its resources effectively and efficiently. In addition, they also need to know and implement a business ethics of Islam. As noted by Juliana, Sulthan, & Fathir (2019) of the SMEs also need to implement Islamic business ethics among which the administrative order, responsibility, fairness, freedom and truth.

Regarding capital sources, found some craftsmen who admit that they receive or obtain capital from the Bank, which is where it can be seen, there are still elements of usury. This is not justified by the company, but the company also does not fully mastered the decision of the craftsmen in obtaining funding. This happens because of the lack of knowledge of the craftsmen on the values of Islamic sharia in everyday life, especially in business (sharia compliance). This is something that really needs to be considered for Muslim entrepreneurs, that business is not just about looking great benefits, but also about how they stay on the path that is justified by the values of the Islamic sharia (Juliana, Firmansyah, Cahyaneu, Moslem, and Taufiq, 2018).

Based on the discussion on the implementation of Islamic values by the company, authors can conclude that the Catenzo company can be said to have met the criteria as Islamic Social Enterprise (ISE). Such theories or concepts put forward by

Mulyaningsih & Ramadani (2017), that the Islamic Social Entrepreneurship has three motives, namely the profit motive, the social motive, and spiritual motive. And it is known that the third Catenzo own motives. However, when compared to the research conducted by Aini, et al. (2018), they argued that the ISE is a company backed by funds zakat, waqf, Sadaqah, grants, and qard hasan. While Catenzo company is a company that does not include those funded by philanthropic funds.

## 2. Social Impact Measurement with SROI

Sign in to the SROI analysis stage, the first stage is to determine the scope and identify the stakeholders (stakeholders). In this study found some stakeholders are divided into two parts, there are directly affected and some are not.

*Key stakeholders* are those who are directly affected either positively or negatively. If they are positively affected, then the next they are referred to as impact or benefit recipients. The stakeholders were excluded (*excluded stakeholders*) are those who do not receive the impact or benefit directly from the activities under investigation.

Table 1. Determination of Key Stakeholders

| <b>Key Stakeholders</b> | <b>Rationality</b>  |
|-------------------------|---|
| Management Catenzo      | Implementing business activity Catenzo shoes also benefit from a partnership with the craftsmen shoes.                  |
| Craftsmen partner       | The main beneficiaries of the shoe business activity Catenzo as a manufacturer of shoes with the partnership agreement. |

After determining the scope of, the next step is mapping of all the benefits that are already being felt. To do this, SROI analyst must first understand the changes that occurred chain (theory of change). This second stage will be related to how to describe the chain of changes, which led to the existence of some of the benefits that can be felt.

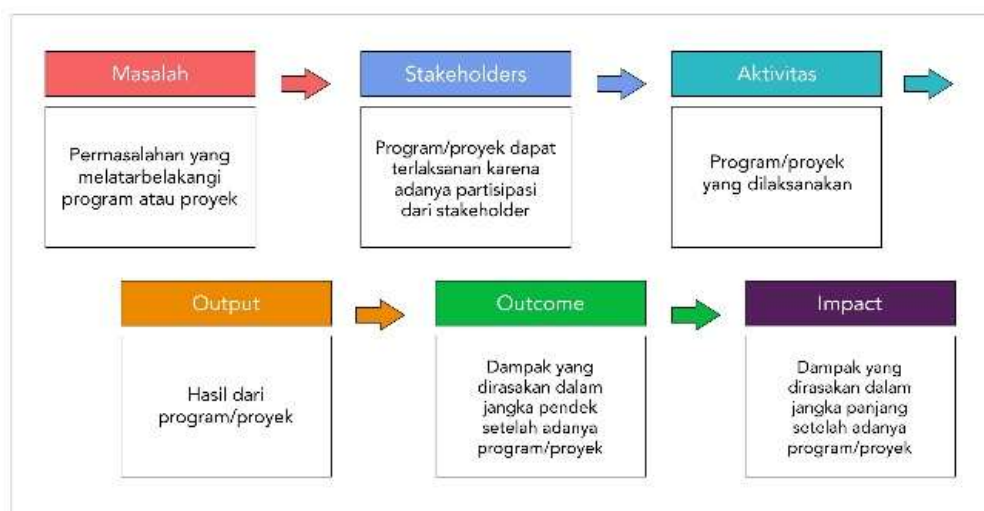


Figure 2. Process Theory of Change

Business activities are performed by Catenzo by offering partnership at the local shoe craftsmen Cibaduyut is a reflection of the vision and social mission they want to achieve, particularly in the small-scale artisans. The reason, many local craftsmen who currently rely Cibaduyut earnings at companies that already have registered a product brand. Most artisans find it difficult to compete in marketing their products if they stand alone without any partnership with the company. As it is known that the longer, the number of local craftsmen Cibaduyut shoe is decreased because they feel the profession as a craftsman shoe is not too ensure their welfare.

With the partnership of local shoe craftsman with Catenzo, is expected to help maintain and raise the existence of local artisans work product to the national and international levels. Catenzo want to prove that the domestic footwear craftsmen, especially in Cibaduyut should be appreciated for being able to create products that are cheap and good quality and can compete in national and international arena. In addition, it has been discussed also about the practical application of ISE by the company related to its partnership with the craftsmen shoes. It will affect their view of the social impact of any resulting. Through the process of theory of change, earned seven social impact generated some of them increase revenue, improve children's education, harmony in the family,

Then next is proving their impact and give them values. At this stage will be determined the amount of the value of the impact produced by Catenzo and perceived by the craftsmen of partners. The impact value is obtained from the use of a proxy or proxies financial finance that impact value will be the amount of money in rupiah. Determination of financial proxies are crucial in SROI analysis and became one of the

advantages that are not owned by other analytical tools. Determination of financial proxies is called monetization techniques, where things did not have a financial value estimate or assessment is given equal value to things that can be valued in money. Financial proxy data can be obtained from various reliable sources, such as interviews with stakeholders, reports from agencies, as well as of the relevant previous research journals (Nicholls, Lawlor, Neitzert, and Goodspeed, 2012). Calculation of proxy accompanying financial tables.

Table 2. Total Value Input and Outcome

|                         |                  |
|-------------------------|------------------|
| <b>Value of Input</b>   | Rp 1.514.834.675 |
| <b>Value of Outcome</b> | Rp 2.460.809.675 |

Now we know the total value of inputs and outcomes, then performed further impact assessment related to the principles of SROI is not excessive (do-not overclaim). Basically at this stage is to ensure that the value has been set for an impact is not too high and truly reflect the actual value (Nicholls, Lawlor, Neitzert, and Goodspeed, 2012). Results of the calculations assuming a deadweight, attribution, displacement, and drop-off will be included in the final calculation of the impact existing folder in the annex.

Table 3. Percentage Perceived Impact

| <b>Social impact</b>                                      | <b>Percentage</b> |
|---|-------------------|
| Increase revenue  | 100%              |
| Improving children's education                            | 51%               |
| Harmony in the family                                     | 52%               |
| Able to maintain physical health of family                | 52%               |
| Improving knowledge and skills in the production of shoes | 66%               |
| Improve psychological wellbeing                           | 92%               |
| Employment  | 100%              |
| <b>Average</b>  | <b>73.3%</b>      |

Unknown value of a deadweight of 13% and 13.7% attribution. Furthermore, by adding up the value of deadweight and attribution will be a comprehensive deduction value to generate the value of the actual impact is felt that the amount of a deduction value is 26.7%. Under the category of deadweight and attribution according Purwohedhi (2016, p. 49), the value is still approaching the second category which is in small part level. Thus, 73.3% value listed in Table 3 is a value largely. It can be concluded with a percentage value of the impact, the impact is going to really be felt mostly by craftsmen partners for their partnership with Catenzo activity.

SROI calculation is done using the spreadsheet folder impact. The total value of the effects obtained from the calculation is Rp2.304.033.675. Then the value is projected in the next 5 years by using Present Value calculation, the result is Rp2.679.131.864.

Next is the stage of calculating the SROI ratio. SROI ratio is obtained by dividing the total Present Value of Benefit (impact) to the total input. Following the calculation of scores SROI ratio:

$$SROI \text{ Ratio} = \frac{\text{Present Value of Benefit}}{\text{Value of Input}} = \frac{2.679.131.864}{1.514.834.675} = 1,77$$

From the results of these calculations are obtained SROI ratio is 1: 1.77, which means each investment of USD 1 will generate social impact of Rp 1.77.

In previous studies conducted by Neil (Social return on investment and social enterprise: transparent accountability for sustainable development, 2007) in a case study on social enterprise which has the purpose of producing furniture cheap and quality for low-income people as well as opening employment opportunities to follow training program convening. The result is that the company managed to create social impact value of 1: 1.99 and the value is still called decent and good. Likewise in this study resulted in a ratio of 1: 1.77 is not a bad thing but it should still be improved further.

Shaw (2018) suggested that the SROI process is not an exact science and that input will always be unique to an organization that is under investigation, so there should not be generalized. Overall, the key to success is transparent and recognized the problems that can be assessed by evaluators. And of course the authors acknowledge that in this study there are many shortcomings and limitations in the use of SROI

method. Schmutz (2017) also suggests the main limitation is the cost and skill in performing this method, the assumption can be fickle, and the temptation that results exclusively judged by money and interpreted excessively. Also sometimes not possible to accurately capture all the priceless result and may not be appropriate to attach a monetary value on everything.

#### **D. CONCLUSION**

Application of Islamic concept of social enterprise Catenzo daam company has an added value in the business activities of its partnership with the craftsmen shoes. Of course this is an effect on the resulting social impact and benefit the partners shoe craftsmen. SROI analysis found through the stages of social impacts resulting from the activities of the partnership with the artisans shoes Catenzo them is increase revenue, improve children's education, harmony in the family, maintaining family health, increase knowledge and skills in the field of shoe production, improve the psychological well-being, and employment.

SROI ratio produced is amounted to 1: 1.77, which means on each investment partnership business activities amounting to Rp 1, capable of producing impact or benefit to the shoe craftsmen partners Rp1.77. That score can be quite good for being able to generate social impact of more than Rp1 which means that it can exceed the value of the investment capital, despite the fact that it would be better if it continues to be improved. It can be concluded that Catenzo has managed to become a company that has a social mission that also apply Islamic principles in their business activities.

Suggestions or recommendations from the researchers to Catenzo them are artisans need to get more education-related processing and managing resources effectively and efficiently and in a manner consistent with the principles of Islam. With the persistence of the craftsmen who receive funding from the Bank, the company also needs to be further educate craftsmen securing funding lawful. In addition, the company must also be able to provide loan capital in full on the craftsmen to meet the manufacture of shoes also did for the company, so that they are no longer borrowing from the Bank.

The resulting social impact does look bigger on increasing revenues craftsmen which will further affect the level of their economic well-being as well. However, it is good social welfare, too, is a major concern. It would be better if the company is willing

to help ease the burden of the artisans by providing social security, health, and security / safety.

To enhance the empowerment objectives and improve quality as well quantity of the craftsmen in Cibaduyut, the company that was accompanied by government should regularly conduct special training shoe production up to the professional level for the candidates craftsmen shoes so they could have the skills in addition to the difficulty of getting a job

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