

How can social enterprises in the brazilian semiarid be effective? – A double case study

¿Las empresas sociales son eficaces en la región semiárida brasileña? – Un doble estudio de caso

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ABSTRACT:

This study has the objective to highlight the factors for effectiveness of two social enterprises (SEs) located in the Brazilian semiarid region. Employing a qualitative approach, data collection was based on 23 (twenty-three) semistructured interviews analysed with the Nvivo® 10 software. Findings evidenced the importance of intersectoral collaboration; constant adaptation to social and commercial demands; the role of innovative services, products and processes; the skills fomented by the managerial teams over time; the creation of a resilient mindset capable of framing challenges into opportunities. Research results put forth the importance of for-profit undertakings to provide greater autonomy to these organizations.

Keywords: Social entrepreneurship; social enterprises; effectiveness; semiarid; Brazil.

RESUMO:

Este estudio tiene como objetivo resaltar los factores de efectividad de dos empresas sociales (SEs) situadas en la región semiárida brasileña. Empleando un enfoque cualitativo, la recolección de datos se basó en 23 (veintitrés) entrevistas semiestructuradas que se analizaron con el software Nvivo® 10. Los resultados demuestran la importancia de la colaboración intersectorial; constante adaptación a las demandas sociales y comerciales; el papel de servicios innovadores, productos y procesos; fomenta las habilidades por los equipos de gestión en el tiempo y la creación de una mentalidad resistente capaz de enmarcar los desafíos en oportunidades. Los resultados de la investigación plantean la importancia de que las empresas con fines de lucro deban proporcionar una mayor autonomía a estas organizaciones.

Palabras clave: Emprendimiento Social; empresas sociales; eficacia; semiárido; Brasil.

1. Introduction

Globally, the number of social enterprises (SEs) has started to rise in the 1980s, as a response to social crises and the gradual State withdrawal from social welfare. Moreover, many social enterprises emerged from structures previously provided by traditional non-governmental (and not-for-profit) organizations (hereby, named NGOs). By using creativity and efficiency principles from private sector, social enterprises began to provide a creative and sustainable model to organizations from the voluntary sector, which have faced increasing competition for grants and private donations (Alter, 2007; Lyne, 2012).

This study theorizes that to understand Brazilian social enterprises' singularities is essential to study the role institutional connections and to take into account the importance of inner organizational structures. Moreover, Lasprogatta and Cotten's (2003) definition for SEs was used once they outline social enterprises as for-profit initiatives emerging from not-for-profit organizations that create these ventures attempting to mitigate reliance on public grants, subsidies or private donations.

The definition of effectiveness for SEs was underpinned on the one proposed by Diochon and Anderson (2009). These authors outline that effective social enterprises are the ones capable of tackling social problems such as exclusion and marginalisation, and, at the same time, hold self-sufficiency and sustainability. In this regard, self-sufficiency and sustainability are understood very little or no dependence on external funding like donations or grants either from the government or from private sources.

In addition, this research drew on the one performed by Schiller (2013), who studied the social entrepreneurship (SEship) context in Austria. She suggested four dimensions to analyse SEship: *Background Frame*, *Innovation*, *Managerial Abilities* and *Perception of Problems*. These dimensions were employed to determine the underlying factors for effective SEs. Schiller's study was selected because it contemplates institutional and organizational aspects that can be considered to explain social entrepreneurial effectiveness.

Nevertheless, given the role of human resources mobilization for social enterprises (Borzaga and Solari, 2001; Austin, Stevenson and Wei-Skillern, 2006; Diochon and Anderson, 2009), a fifth dimension was proposed. *Talent management*, relates to how people are recruited, trained and retained in these organizations as their role is hypothesized as key for effective SEs.

Considering the elements brought forward thus far, this paper proposes to answer the following research question: *combining the importance of intersectoral collaborations and internal organizational qualities, what factors enable social enterprises to be effective in the Brazilian semiarid?* This question had the objective to analyse how intersectoral collaborations and internal organizational aspects have been acting as factors of effectiveness for social enterprises in Ceará. Moreover, this study also had the goal to understand why traditional NGOs start SEs, laying the foundation for the latter to be sustainable in the long run.

Methodologically, this study employed the double case study of two SEs started by NGOs located in two municipalities in the Ceará state in the Brazilian semiarid northeastern region. One of these NGOs operates with Information Technology (IT) training, services and products and the other fosters social entrepreneurship among rural youth, provides technical assistance to small farmers and cedes microcredit to other rural SEs. The data collection was based on 23 semistructured interviews with the management teams from these organizations and the analysis of such data was assisted by the Nvivo® 10 software for qualitative research.

After this introduction, this article is divided in four other sections. The second one presents the theoretical backgrounds that had underpinned this study. The third section introduces the methodological aspects through which this research was operationalized. Research results and further discussion are presented in the fourth section, succeeded by the fifth, which conveys the concluding remarks.

2. Social Enterprises

“Social enterprise” began being used in Italy during the 1980s as a term to describe innovative private activities established voluntarily. Groups of citizens intending to deliver social services or to administrate economic activities designed to assist disadvantaged people started these initiatives (Borzaga, Depedri and Galera, 2012).

In North America, conversely, the term social enterprise refers to profit generation initiatives performed by non-profit organizations to fund the pursuit of social missions. This approach stresses the search for commercial ways to raise funding, which was driven by a number of issues confronted by non-profit organizations. These problems consisted of increased costs, more rivalry for a smaller number of grants and donations, and the rising competition from for-profit companies taking part in the social service sector (Borzaga, Depedri and Galera, 2012).

In Latin America, the array of NGOs and SEs has also been increasing since the 1980s. This phenomenon happened as a civil society reaction to issues such as unemployment, inequality and social marginalization. Furthermore, in Latin America, the solidarity economy comprises distinct social segments, actors and organizations. It is coordinated with a worldwide movement that criticizes capitalism, even though its objectives are normally linked with starting enterprises to achieve individual, social and ecological development. Social enterprises can be considered a part of this locally oriented reaction (Borzaga, Depedri and Galera, 2012).

When an NGO is combined with activities aiming at generating profits, they are often named *hybrids*. In this sense, Peredo and McLean (2006) gave this status to the *Grameen Bank* and other microcredit ventures. These authors convey two types of organizations that have social goals and generate income. The first one, like the *Grameen Bank*, has the objective to supply a good or service beneficial to disadvantaged individuals. The second type does not have a direct involvement in social goals, although provides assistance for other organizations. For instance, foundations would belong to this second kind.

Souza and Silva-Filho (2014) mention two important examples of this second type of social enterprises. The Brazil Foundation from the USA, which has been providing support to initiatives in the Brazilian state of Ceará such as the *Agência de Desenvolvimento Local* (Adel – Agency of Local Development in Portuguese) and the *Programa de Educação em Células Cooperativas* (PRECE – Program of Education in Cooperative Cells in Portuguese).

Given its objectives, this research took as operational definition the outlining suggested by Lasprogatta and Cotten (2003). These authors considered SEs for-profit undertakings championed by NGOs as an effort to reduce dependence on governmental grants, subsidies or on private donations. Moreover, this study also took into account a definition for effective SEs, topic presented in the next section.

2.1. Effectiveness in social enterprises

Drawing on Diochon and Anderson (2009), the definition of effectiveness for SEs adopted in this research comprises being innovative in addressing to social exclusion and marginalisation as well as having self-sufficiency and sustainability. Self-sufficiency and sustainability relate to being the least dependent on external funding from the government or donations from private sources.

According to Hynes (2009), the successful accomplishment of social entrepreneurial undertakings demand from the entrepreneur skills and competencies in specialist, functional and process areas. Delivering social value is reliant on practices that focus on social settings whereas achieving a commercial return.

Nonetheless, this study has not ignored the role of cooperation and innovation in the success of social entrepreneurial organizations. Moreover, effectiveness is defined in this work as settling processes that allow achieving multiple goals, including different stakeholders and making the

people involved with the organization more successful, increasing results quantitatively and qualitatively.

Bryson, Gibbons and Shaye (2001) regard the satisfaction of multiple stakeholders as both requirement and outcome of social entrepreneurial success. Such organizations would be externally justified, which means they are morally, ethically and legally sustained by the social needs they choose to address as well as by the interests of their key stakeholders, whereas abiding with the strictures of the law.

Mason, Kirkbride and Bryde (2007) corroborate with the importance of the appropriate management style for social enterprises, which are required to develop and evolve suitable structures that match their normally local and specific missions. A key aspect, in this sense, is fomenting processes that make decision-making and communication with all stakeholders easier.

In addition, as SEs mostly deliver services instead of goods, effectiveness also intertwines intelligent personnel management, given that they are the first, and frequently the only, image different parts such as clients and beneficiaries have of the organization (Moreau and Mertens, 2013). In this study, effective SEs are also the ones capable of being consistent with their mission whereas managing social and economic goals, interplaying these goals with governance principles that align with organizational values and projects (Moreau and Mertens, 2013).

The studies performed on the topic, although emphasizing the relevance of specific elements for effective social entrepreneurial organizations, allow understanding effectiveness in SEs as composed by multiple factors. Therefore, a multidimensional approach would grant the comprehensibility necessary to understand effective SEs, which leads to the need to explain Schiller's (2013) dimensions used in this research, topic of the next subsection.

2.1.1 Dimensions for understanding effectiveness in social enterprises

The categories used follow the ones conveyed by Schiller (2013): Background Frame; Innovation; Managerial Abilities; and Perception of Problems. The first dimension, *background frame*, comprises the collaborative bonds established by SEs with other organizations, governmental or not, permitting them to accomplish their social mission. In this sense, Schiller (2013) includes in this dimension the cooperative relationships these organizations set with other actors such as the media, other third sector organizations or private companies. Connections settled governmental institutions are deemed as more important, which are also regarded by the literature as a strong enabler for social entrepreneurial activity, especially in developing economies (Sud, Vansandt and Baugous, 2009; Stephan, Uhlaner and Stride, 2014).

The second dimension, *innovation*, encompasses the role of innovation and innovative practices within the social entrepreneurial organization. The academic research has been emphasizing the importance of innovation in social entrepreneurship, with authors such as Dees (1998), Mair and Marti (2006) and Zahra *et al.* (2009) foregrounding it as a key characteristic to determine whether an organization would be considered a SE or not.

Management abilities, the third dimension, relates to how the managerial team is able to gather resources to fulfil the social missions it addresses (Schiller, 2013). These professional skills and connections are considered an important enabling element for those organizations. Hence, the social entrepreneur's ability to mobilize financial and human resources does not only pose as a key differentiator for the way SEs are organized, it also makes foreseeable whether the initiative will indeed be effective and sustainable (Austin, Stevenson and Wei-Skillern, 2006).

The complexity and specificity SEs face to solve their problems require a related kind of reactions. Hence, Schiller (2013) qualifies *perception of problems* as the fourth dimension to analyse social enterprises. Even though her study comprises the Austrian context, it might be fitted to the Brazilian once some structural, financial and legal challenges as well as their solutions are pertinent besides the different contexts.

Moreover, an emerging dimension and a related node were created for two reasons. First, to

give a further academic contribution to Schiller's work and, second, to fill the gap noticed regarding the role of effective talent management for social entrepreneurial success. The new dimension, *Talent Management*, deals with the way the managerial team administrate how their staff is recruited, retained, trained and replaced. In this sense, this study also hypothesized that effective talent management has been essential for the studied SEs.

The methodological aspects that led this research are introduced in the following section, displaying the procedures adopted based on the objectives proposed.

3. Methodology

This study was qualitative and adopted the multiple case study as investigation strategy. In accordance with Hair Jr. (2005), qualitative approaches serve to characterize or refine research problems, helping to formulate or test conceptual structures normally involving the use of smaller samples or case studies.

According to the replication process proposed by Yin (2010), multiple case studies intended to identify cases that might predict similar results (literal replication) and, as suggested Eisenhardt (1989), a theoretical sampling process followed this step, once cases were selected based on theoretical reasons. Afterwards, a qualitative analysis was performed following the steps proposed by Bardin (1977), this process, on its turn, was based on the analytical dimensions chosen for this study, which were later codified with the assistance of the Nvivo® 10 software for qualitative analysis. The results of such efforts are presented in the discussion session of this paper.

This research was carried out in two stages. The first stage comprised an exploratory study on the available bibliography about social entrepreneurship and social enterprises, which also took into account existing material on the organizations' websites. This stage permitted the definition of profiles to be encompassed in the sample and the dimensions to be analysed. In the second stage, semistructured interviews were hold with 23 professionals involved in managing these social enterprises.

Two social enterprises were selected because they fitted the aforementioned operational definitions. Furthermore, these organizations showed openness and collaboration to the study. The authors had found two other SEs, which were excluded, despite aligning to the definitions; one had already been exhaustively studied, leaving little room for relevant findings, and the other did not return any contact.

The first organization selected was the *Instituto Tecnológico e Vocacional Avançado* (ITEVA – Advanced Technological and Vocational Institute) located in the municipality of Aquiraz (35 kilometres [18 miles] from the capital city Fortaleza) and the SEs *MidiaCom.net*, which was started in 2004, ten years after the foundation of the parent NGO.

The second organization was the *Agência de Desenvolvimento Local* (Agency of Local Development – ADEL in Portuguese), which has been working since 2007 with fomenting entrepreneurship among young people in the poor countryside and its SE *Fundo Veredas*, a microcredit organization created to provide funding to start small rural business. This SE was started in 2012 as an effort to increase the NGO's financial autonomy and enable their graduates to open their businesses.

In ITEVA, 16 (sixteen) people were heard. In ITEVA-Midiacom.net, ten people were interviewed, such as the general coordinator, the technical coordinator, the administrative-financial coordinator, the chief of finances and accounting and his direct supporter occupying managerial functions. Representatives from the government, private companies and other NGOs were also heard to bring to light the role of the connection with these actors.

Regarding ADEL and *Fundo Veredas*, 7 (seven) interviews were performed with members key managerial staff members. This set of interviews encompassed managing directors, coordinators who help operationalizing programs and staff deemed essential to run *Fundo*

Veredas.

The analysis of primary sources was performed through the software *Nvivo*® version 10.0 for analysing qualitative data. According to Gray (2004), a software provides greater convenience to treat data and, when utilized suitably, can be rather effective.

Mozzato and Grzybovski (2011) agreed with Gray, asserting that the appropriate usage of softwares is a good way to valid a study. These authors stressed the use of several computer programs for data analysis, among the ones presented; *Nvivo*® was mentioned as one that has been increasingly employed in Management studies. Nevertheless, although computer programs make the analysis and interpretation easier, they do not replace the scholar's active role in managing these processes appropriately.

Each dimension suggested by Schiller (2013) was investigated based on the sources compiled. Considering the objectives established in this research, each node created in *Nvivo*® represented a collection of references about a specific topic, namely, the dimensions analysed here. The relationships between nodes and data collected made possible to "codify" references. In this research, sources were mainly interviews, articles, images, videos and related textual material.

During the categorization process, it was sought to qualify the data into four groups corresponding to the dimensions devised by Schiller (2013). The first one, Background Frame, comprised information related to external conditions such as institutional or environmental ones allowing the NGO-Social Enterprise to be effective. Secondly, Innovation regarded the innovative practices and ideas carried out within the organization that make it successful. The third category, Management Abilities, connects with arguments related to the skills and actions fostered by the managerial team to run the initiative effectively. Afterwards, Perception of Problems, the fourth category drawn on the ones created by Schiller (2013), took into account how the problems faced were perceived and solved.

The new dimension, *Talent Management*, deals with the way the managerial team administrates how their staff is recruited, retained, trained and replaced. In this sense, the main node 'Talent Management' unfolded into five subnodes (subcategories) related to talent recruitment, retention, turnover, development and succession. In a similar fashion to what was performed with the four previously mentioned dimensions, the data and emerging information linked with Talent Management were separated and categorized as valid information giving support to creating and using this new dimension as an analytical category.

In alignment with each extract selected, sources were analysed in parts and related information was distributed into their respective dimensions. Aiming to improve such distribution, the Bardin's (1977) content analysis technique was also carried out; its three chronological steps pre-analysis, material exploration and result treatment, inference and interpretation entail a set of methodological instruments that can be applied to different kinds of discourses.

The codification process started with "parent-nodes" created for each of Schiller's (2013) dimensions, following a procedure similar to the one used by Souza and Silva-Filho (2014). Within each dimension, "subnodes" were built related to these questions and their connections between sources. The codification in each node highlights sources and references sheltered within it. Figure 1 exemplifies how such process took place for the first dimension.

Figure 1 – Codification of the 'Background Frame' node

Nós			
Name	Sources	References	
Background Frame	6	45	
Changes due to legal, economic and social context	1	8	
Collaboration with 3rd sector organizations	2	9	
Collaboration with the 2nd sector	3	11	
Collaboration with the Government	3	14	
Resulting activities	1	3	
Innovation	1	3	
Management Abilities	2	5	
Perception of Problems	4	22	
Talent Management	3	62	

Source: Nvivo® 10 software for qualitative analysis.

Each subnode represented a question made to explore the dimension that entitled the parent-node. In this parent-node, for instance, questions concerned transformations the organization has been undergoing, its resulting activities and the ways it has been collaborating with the first, second and third sectors. The conclusions resulting from the data analysis process are presented and discussed in the next section.

4. Analysis and discussion of results

This section introduces the findings based on the analysis of interviews in the sampled SEs. Data analysis and discussion scrutinizes the factors of effectiveness for each dimension. Nonetheless, to facilitate readers' understanding and make the reading process more didactic, Figure 2 summarizes the results observed in each SE.

Figure 2 – Dimensions of effectiveness (summary table)

DIMENSIONS	ITEVA-Midiacom.net	ADEL-Fundo Veredas
<i>Background Frame</i>	<p>Closer engagement with the government expressed by the transference of its methodology to state schools and courses given to municipal schoolteachers. Previous networks with local official has been vital for the success of these recent partnerships.</p> <p>Interaction with different private companies that provide financial and non-financial resources. The companies are also regular clients purchasing SE's good and services.</p> <p>Engagement with other NGOs through provision of Internet provision, courses and assistance on key issues such as</p>	<p>Interacting with the government is taken with suspicion due to fear of possible political compromises. Cooperation happen mostly with governmental foment organs with a more neutral profile such as official development banks.</p> <p>Interaction with different private companies that provide financial and non-financial resources. Fundo Veredas regular/ social clients happen to be the same beneficiaries from its parent NGO.</p> <p>The organization exchanges resources with other NGOs that hires its social services to benefit the local community in an outsourcing procedure. CSR institutes and</p>

	<p>financial reports and bureaucracies. ITEVA sees itself as a benchmark for others NGO to inspire and considers helping these peers part of their social mission in this sense.</p>	<p>foundations have a key role in the SE's viability.</p>
<i>Innovation</i>	<p>Adapting to changes in social demands and in the institutional context has been a driver for the SE modify its processes and products to be more effective. Collaborating with different organizations, diversifying its services and professionalizing its staff management have been organizational innovations allowing the SE to be effective.</p>	<p>The NGO changed its focus from small farmers only to developing communities by empowering its youth through social entrepreneurship.</p> <p>Fundo Veredas was an innovation within ADEL, as its beneficiaries needed credit for starting their businesses. This internal demand was realized into a business opportunity and the SE was started with the aim of boosting ADEL's capabilities.</p>
<i>Management Abilities</i>	<p>Networking, staff management and fostering democratic governance have been essential abilities for effectiveness. Creating strong intersectoral collaboration is a fundamental element as well as integration with the community.</p>	<p>Networking, staff management and fostering democratic governance have been essential abilities for effectiveness. Creating strong intersectoral collaboration is a fundamental element as well as integration with the community.</p>
<i>Perception of Problems</i>	<p>Similar to other SEs, other companies consider was regarded as a business opportunity. Social entrepreneurs are open to suggestions to improve the SE, tackling challenges with pragmatism.</p>	<p>Similar to other SEs, other companies consider was regarded as a business opportunity. Social entrepreneurs are open to suggestions to improve the SE, tackling challenges with pragmatism.</p>
<i>Talent Management</i>	<p>Talent management techniques intertwine the professional logic of private companies and the use of non-financial typical the third sector.</p> <p>Recruitment is performed mostly within and take into account alignment with the social mission. Retention happens by following a similar rationale, but focus also on both financial and non-financial incentives. Development is mostly internal and uses mentoring techniques. Succession is carried out gradually and team cohesion is key to smooth this process.</p>	<p>Talent management techniques intertwine the professional logic of private companies and the use of non-financial incentives typical of the third sector.</p> <p>Recruitment happens through advertisements on the Internet and also considers values related to its social mission. Retention is based on incentives and immersion with the mission, focusing on non-financial incentives. Development is internal and employs mentoring techniques. Succession is also performed gradually, but due to the form of its work contracts are predictable and planned in advance.</p>

Source: Elaborated by the authors.

4.1. Background frame

In ADEL-Fundo Veredas' case, for instance, analogously to what happened with ITEVA-Midiacom.net, governmental direct or indirect intervention was essential for social entrepreneurial organizations as highlighted by Diochon and Anderson (2009). In the second case, the partnership with *Banco do Nordeste* underpinned the SE's early actions, in its trajectory; however, collaborative bonds became stronger with private companies enacting CSR initiatives similarly to what ITEVA-Midiacom.net has been achieving with its private partners such as IBM and Microsoft, which have been providing financial and non-financial resources to the organizations.

Contrarily to what takes place at ITEVA-Midiacom.net, ADEL-Fundo Veredas does not have the same cooperation with governmental spheres such as the state or the municipal; hence, the activism from the first sector happens in a smaller degree. In the first case studied, ITEVA was able to scale its work in state professional schools by ceding and implementing its methodology through a partnership celebrated with the state government.

Sud, Vansandt and Baugous (2009) defended such activism, but ADEL-Fundo Veredas has been able to achieve effectiveness in spite of this collaboration as interviewees and secondary data did not bring forth the role of neither city nor state governments.

Partnering with private companies is important for social enterprises with a profile such as the ones sampled in this research as evidenced by Hynes (2009). The kind of rationale underlying these organizations have put them closer to the second sector, thus, collaborating with private companies increases legitimacy insofar as these SEs and private companies follow similar business logics.

Regarding relationships with other third sector organizations, the second studied NGO-SE did not provide services or products directly to other third sector initiatives like ITEVA. Actually, it receives outsourced funding from private companies channeled via another organization named Brazil Foundation in charge of passing these resources so the social enterprise can address to its social demand. In exchange, private companies receive legitimacy to operate in the community and present themselves as socially responsible companies to society as a whole.

Sud, Vansandt and Baugous (2009) also highlighted the relevance of formal and informal cross-sector partnerships, networks and alliances. Whether they occur among private companies, governmental spheres and/ or other civil society organizations grant more legitimacy to SEs, helping these organizations to tackle social demands and obtain network-mediated benefits.

In this regard, it is not possible to understand social entrepreneurial effectiveness only by analyzing the external collaborative context where the SEs are included. Organizational factors such as innovative processes and the importance of innovation itself are relevant to grasp the underlying reasons enabling the endeavor to be successful, as proposed by authors such as Dees (1998), Mair and Marti (2006) and Zahra *et al.* (2009), who also agree with the idea that SEs have the potential to be heralds of "creative destruction". Therefore, the next section deals with the role of innovation.

4.2. Innovation

The role of innovation within ITEVA has been asserted since the early 1990s, even before Midiacom.net was created. The not-for-profit has been producing technologies such as a special kind of fabric to be used for paragliding, environmentally friendly bricks (that do not require baking), and a different kind of water treatment that was patented, and later sold in local stores. Moreover, an air conditioning system invented there cools the organization's facilities, using a local water supply and homemade structure, characteristics that makes it cheaper and more reliable device than the regular ones.

According to the data, the very nature of the computer science business makes necessary to use innovative practices for training staff in the latest software available. Besides the training, inasmuch as most of the staff comprises youngsters, it has also been demanded from the

organization to devise teaching methods similar to a coaching and mentoring program, when more experienced members stay closer to novices so they can be taught about their duties. Moreover, following the examples of bigger private companies, staff have the chance to go circulate through all the areas in order to both facilitate possible replacements and motivate their personnel.

In addition, to do its internal personnel evaluative process and financial reports, the SE created genuine softwares to organize and keep track of such records. These programs have been used for its internal operations, but have also enabled further cooperation with other NGOs, as the software for financial reports has been ceded to organizations in need to formulate and comply theirs with official standards. In this regard, these innovative and cooperative practices help these organizations to address to common problems such as the legal issues pointed out by Alves and Koga (2006). These authors stated that although the Brazilian legal framework supposedly changed for the better in the late 1990s, there still would not exist a specific legal framework appropriate to organizations with social entrepreneurial features, thus, making good use of legal benefits would be difficult for these organizations.

The initiative's activities concerning recruitment and development of staff have also been innovated. The course students performed in the social project Midiacom was shortened as managers realized that students lost momentum once the course lasted two years. Because of the course's length, students started to quit or felt demotivated, thus, the managing team reduced the course time for one year. This adaptation enabled twofolded results: to send more youngsters to the job market sooner and to incorporate students with the best performance to the social enterprise.

ADEL-Fundo Veredas innovated first by changing the ideal started at PRECE (the social movement where its founders came from). These social entrepreneurs modified the focus from students with little formal education to family farmers in need of technical assistance, a demand they had realized while still studying at the social movement. In this concern, the team could also couple the skills they had learnt at university with the desire to help their communities. Comparable to what is stated by Huybrechts and Nicholls (2012), innovation intertwines pursuing a commercial opportunity, a characteristic from Fundo Veredas that resembles Midiacom.net insofar as it was created to take advantage of a business opportunity (granting credit to the SEship course graduates) and, concomitantly, tackle a social demand.

The data conveys that most of the work was done differently of what governmental agencies used to do in the region in as much as small farmers were heard and their aspirations were taken into consideration to devise which actions ADEL would build. Although not new in overall terms, to listen and elaborate actions based on what these social clients wanted was fundamental for the social enterprise success.

Later, considering its social mission of mitigating as much as possible rural exodus, the organization transformed itself again to contemplate rural youth through entrepreneurship. The managing team perceived the chance to prevent rural exodus insofar as most people leaving the countryside were under 30 years-old and sought better job opportunities. The plan elaborated was to foster opportunities in the semiarid using the youth protagonism people from ADEL-Fundo Veredas knew well. In this regard, Borzaga and Solari (2001) stressed the need for SEs to bring forward different business models, fomenting innovation.

The managing team devised a course on SEship for young people, which taught them business skills and other related abilities necessary to run a successful business in the region. However, in the end of the course, graduates could not access official credit lines and the NGO created the microcredit SE in order to provide these graduates the funding they needed. In other words, an opportunity became a source of revenue to the NGO through the low interest rates charged in each loan and, at the same time, young people could start their businesses and search for ways of overcoming social vulnerability.

Specific challenges and solutions require from SE managers different skills and capabilities,

which are also fundamental for effectiveness. For example, taking opportunity of financial and human resources available is one of the abilities SEs managing teams and individual social entrepreneurs need to nurture (Borzaga, Depedri and Galera, 2012). In this sense, Schiller (2013) considered a dimension named Management Abilities, the third one employed in this work. In the light of this dimension, the following section analyses both cases.

4.3. Management abilities

Managers in ITEVA-Midiacom.net have been able to address to multiple demands in as much as they were required from their partners and investors, who steadily searched for the results of their investments. Moreover, it has been important for these managers to deal with requests from their clients and students, thus, shaping the format of courses, services and products to comply with emerging demands. Developing and sustaining strategies that allowed addressing to multiple goals has also been essential for this social enterprise to be effective agreeing with Moreau and Mertens (2013).

The managing team has targeted, when searching for partners, companies from the Information Technology (IT) sector as these businesses have closer alignment with the proposal the SE conveys. IT companies' representatives talked about the importance to invest in an initiative that worked with computer technology whereas built up a meaningful set of skills for young people in a vulnerable community. It is important to increase SE success and legitimacy, making capable of recognizing and nurturing this type of collaboration would be another key ability for managers in social enterprises.

In this regard, ADEL-Fundo Veredas has been pursuing not only partners from one specific field, but also from others with any possibilities of collaborating with financial or non-financial resources. These partnerships improve legitimacy and effectiveness in a twofolded manner, first, by increasing acknowledgement with potential partners and, second, by potentializing social outcomes.

Similarly to the first case, developing a democratic and participatory environment has also been essential to motivate staff. Although there is a directive team, management is built by recognizing capabilities and asking for opinions to foster a culture of accountability and participation, as suggested by Moreau and Mertens (2013).

In this regard, another ability required from social entrepreneurial managing team is dealing with different external stakeholders to deliver good governance. Aligning with Moreau and Mertens (2013), this skill has been observed in ADEL-Fundo Veredas as old partners like CSP have still been involved and new ones such as Instituto Souza Cruz and Globo TV were included in as much as accounts unveil the role of these partners with similar ideology and identification to the SE. Moreover, the community has been integrated constantly through forums and other initiatives to foster democratic as well as participatory governance with external stakeholders, a characteristic understood as idiosyncratic to social enterprises.

In comparison with the first case, this social enterprise does not work with volunteers and depends on its workers to develop its efforts. Because of SE's recentness, the staff has been trained mostly within the organization and using internal resources. Seldom, partners have also been contributing by providing courses and money that are spent in training personnel and other related activities, but as previously stated, people are normally hired through regular working contracts.

In addition, Schiller (2013) considers the ability of perceiving and solving problems coming from the different fields wherein the social enterprise operates as essential for SEs to be effective. The capacity to respond to social demands and transform them into positive outcomes, adapting the SE whenever required is understood as an aspect to be analysed. Therefore, the following section exposes how the perception and solution of problems have been enabling the SEs studied to be effective.

4.4. Perception of problems

Hynes (2009) asserted that the way social enterprises solve problems influence their performance, thus, it is understood in this work that the perception and solution of problems is key for social entrepreneurial effectiveness and success. For instance, as foregrounded by Alves and Koga (2006), due to modifications in the legal framework in the late 1990s in Brazil, it became necessary for these organizations to adjust accounting standards. The managing team in ITEVA-Midiacom.net, throughout their career, learned how to change and carry out accounting activities or to collaborate with the government and private companies to satisfy legal or normative standards determined by these partners.

Financial collaborations have been as important to the SE as non-financial ones, like the one made with Microsoft regarding training of staff and software licences. The need for free licences led the managers to go to Microsoft for help, the SE's mission drew the private company attention and their alignment made possible, besides acquiring the licence, to provide the SE's staff with high-level training and certificates in Microsoft's software. A problem was noticed and solution given to it directed ITEVA-Midiacom.net into a path that led the SE to grow further and improve as an organization.

Hynes (2009) also pointed out that another challenge faced by social entrepreneurs is the lack of understanding by non-financial stakeholders and the public. In this concern, the managing team has dealt with problems on how to make the community understand its work by promoting talks in public schools or talking directly do students' parents to make them realize the importance their work. Word-of-mouth among youngsters has also helped the SE to tackle this issue, and interviewees reported that, over time, making people understand the social enterprise's role got easier once the initiative became renowned. Students' relatives as well as the government understood the contribution the social enterprise makes; thus, their cooperation has increased over time.

At first, one of the main problems tackled by Fundo Veredas' team was to acquire trust from small farmers to work out their problems, the solution was to assemble forums of discussion to understand their needs and elaborate strategies in consonance with their expectations. Moreover, to assist those farmers it became necessary to engender infrastructure of transport and teaching so these farmers could be capacitated as well as served with the regularity and swiftness a service provided requires, whether it is from a social or commercial enterprise.

Granting financial security is also essential for SEs to ensure continuity and amplify their efforts, especially in the beginning, when social enterprises deal with a multiplex of problems most of the times new to the people involved (Borzaga and Solari, 2001; Hynes, 2009). To handle this issue, the management of Fundo Veredas has sought partners among private companies, foundations and the government to ensure that financial resources kept flowing. Similarly to what was examined in the first case, ADEL-Fundo Veredas' team travels to other states and uses its network of contacts to prospect willing donators or partners to do joint work.

Financial and non-financial collaboration have been important insofar as the work that has been carried out requires these both types. Money allocators such as CSP have been influential to sustain as much as non-financial supporters like Brazil Foundation that redirect resources from one partner to ADEL-Fundo Veredas, for instance. In addition, partnering with the community has been important to grant legitimacy and trust; although not tangible, these resources are essential for success as social entrepreneurial efforts might only be effectively performed if an atmosphere of trustworthiness is fostered.

The difficulty non-financial stakeholders and the public have to comprehend the social mission is another fundamental challenge SEs need to address (Hynes, 2009). In this concern, correspondingly to what was done with family farmers, ADEL has communicated its mission to different social clients by publicizing its efforts on the Internet, newspapers and other media as well as in the aforementioned community forums.

The role of managing human resources for social enterprises is considered to fulfil the gap perceived in Schiller's (2013) thesis, which did not contemplate this aspect. This issue also poses a challenge to SEs, influencing their results and continuity. Therefore, the next section brings forward the emerging dimension Talent Management to ponder about how these human resources elements affect social entrepreneurial effectiveness.

4.5 . Talent Management

In alignment with what is also stated in the SEKN report (2006), for instance, the management of talents in the studied SEs has been fostered based on processes that enhance the quality of individuals' contributions insofar as these people stay in the organization, fomenting their personal and professional development as well. Such processes begin when employees with the right profile are sought and finish when they leave the organizations.

Besides the recruitment that takes place in public schools, classmates who had engaged in the process and talked well about the results called in participants. This word-of-mouth has been vital to find people who were not only capable of learning the topics given, but also had identified with the social mission and the tenets the social enterprise conveyed. The hardest part in finding key staff, according to the managing staff interviewed, was to match people with good learning abilities with willingness to engage in the altruistic goals and the principles.

Providing services and the possibility to help others in the community turned out being non-financial incentives. Furthermore, social entrepreneurial managers have used elements of charisma and word-of-mouth to recruit people to work in organization later and to ensure commitment as well as cooperation. In this sense, these aspects agree with Hynes' (2009) propositions about managing human resources in social enterprises, as this author emphasizes the importance of these non-financial awards to hire and, subsequently, retain key talents.

The coaching methodology used in both SEs wherein workers become teachers and students from others in a mentoring methodology brings staff closer together help to mitigate conflicts. The willingness to assist others is also a characteristic aligning with the organization's social missions. Workers reported that the chance to build up quality teamwork has been important to make them stay as well as the delegation of responsibilities each individual receives, insofar as they get more experienced. Holding more attributions and interacting with others in different forms encourages youngsters to develop abilities to do a better work.

Administrative practices to capitalize already existing organizational knowledge have been fomented by settling routines where senior personnel are crucial in training less experienced staff. Effective social enterprises evidence the use of learning systems based on mentoring and personal motivation of its members, similarly to what was stated in the SEKN (2006) report. Managing knowledge in different hierarchical levels, as well as pursuing relevant competencies amid personnel, improves talent administration, enabling Midiacom.net to reach effectiveness more easily.

Furthermore, effective talent development tends to combine communication and coordination mechanisms, thus, these two aspects are normally matched with agile decision-making systems to improve team cohesion. Management indicators align social undertakings and strategic goals to create individual and collective improvement systems (SEKN, 2006). In the studied SEs, this feature might be observed in the kind of assessment performed with the entire team, which clearly focuses on improving performance in a broad continuous way.

Regarding succession of staff members, research findings enable to assert about the early identification of departures, especially considering more senior staff. Constant coaching, systematic evaluations and close companionship have given the talent management team a strategy to be used whenever someone signals willingness to leave the organization.

In what concerns substitution of senior staff, the process might begin weeks or months prior the actual departure, depending on each case. Talent management strategies for succession

take into account criteria as technical knowledge, rapport with other team members and relevance for the organization.

Normally, when a senior worker gives notice, he starts to prepare his replacement by providing full instructions about his routine, activities and responsibilities. The future substitute is gradually taught and, in different moments, is asked to perform the future activities whereas is being taught in order to settle learnt contents. According to the accounts, the senior normally leaves definitely only after his replacement feels confident enough to assume the position. In this regard, the training process is much based on delegating and teaching duties to the subordinate who worked closer to the person leaving, a consequence of this strategy is that the teaching itself takes less time than it would usually be needed once routines have been already known.

The talent succession process, along with others presented in this subsection, demonstrate the strategies formulated to manage talents, considered in this study a fundamental factor to make SEs successful. In other words, personnel has been considered essential for effectiveness in the social enterprises sampled, aspect confirmed through research and supported by findings.

5. Concluding Remarks

It can be asserted that the objective to analyse the role of institutional connections and internal organizational aspects, such as the relevance of talent management, as factors of effectiveness for SEs in Ceará was fulfilled. Research findings allow affirming that institutional connections and internal organizational aspects are factors for effective SEs, considering the five dimensions utilized in this study. In addition, this study foregrounded the relevance of SEs and NGOs that have been empowering and widening horizons of hundreds of youngsters.

Unveiling the role of human resources management for social entrepreneurial effectiveness made emerge a new dimension, talent management, comprising elements regarding recruitment, retention, development, turnover and succession practices. These key elements were similarly relevant in both cases, as creating processes to deal with them were accounted as vital for the results the SEs have been achieving.

Strategies linked with all talent management subdimensions were analogous in the cases studied, the distinction lay on the degree of each strategy actually took place, which might be justified on the size of these organizations and time they have been operating. Moreover, the kind of services they provide and their fields of operation bring about specificities typical from urban and rural youth.

In addition, considering the objective to understand why traditional NGOs started SEs, findings revealed these different organizations end up intertwining. The parent NGOs set up the SEs from the realization of a business opportunity that would enable and enhance their original social work and, concomitantly, would help in achieving their missions. In return, the SEs rose as another source of revenues to support the undertakings carried out in the parent NGO.

In ITEVA-Midiacom.net, the social enterprise rose from a project and became the flagship of the organization, both organizations harvested from their good results in a way that it is difficult to separate where they being and end exactly. The exchange of resources grew to a point where these initiatives interact symbiotically. About ADEL-Fundo Veredas, the NGO created the social enterprise as a solution for a problem turned into a business opportunity; the SE recentness makes it less famous, but still important for the outcomes both initiatives have been able to reach.

Despite its intention of being as comprehensive as possible, this study leaves possibilities for multifolded future research. For instance, beneficiaries could be heard and their impressions added via another emerging dimension. Furthermore, other theoretical paradigms could also be used in future research. Grating a feminist or critical realistic approach to the usual grand narrative of social entrepreneurial discourse, which is usually underpinned on a male-centred and ethnocentric perspective. These latter points of view reinforce the belief about super-

human qualities entrepreneurs would need, characteristics normally related to Anglo-Saxon male universes. Including considerations on gender and race enable a different view about SEship, especially in such a peculiar socio-economic scenario as the one observed in the state of Ceará.

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