

THE STRATEGIES OF EFFECTIVE SOCIAL ENTREPRENEURS TO FRAME CHALLENGES IN ONE OF BRAZIL'S MOST UNDERDEVELOPED REGIONS

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Abstract

This study aimed to unveil what the role of the managerial perception of problems is for effectiveness in SEs based in the Brazilian semi-arid. To do so, it used as operational definitions of SEs and effectiveness the ones provided by Lasprogatta and Cotten (2003) as well as Diochon and Anderson (2009), respectively. Methodologically, a qualitative research was employed through the conduction of twenty-three semistructured interviews and by gathering related material such as videos, websites and media articles. Data analysis utilized Bardin's content analysis technique with the assistance of the @Nvivo 10 software for qualitative analysis. Research findings highlighted the importance of a proactive, adaptive and resourceful mindset to frame challenges into business opportunities and social work. Moreover, results demonstrated that managerial perception of problems emerged through different strategies, motivated by distinct reasons and systematized so that replication became easier. Social entrepreneurial teams have also fostered intersectoral networks with the sections of the government and partners from private companies to improve their efforts.

Keywords: Social enterprises. Social entrepreneurs. Perception of problems. NGOs. Brazil.

AS ESTRATÉGIAS DE EMPREENDEDORES SOCIAIS EFICAZES PARA OS DESAFIOS DO QUADRO EM UMA DAS REGIÕES MAIS DESENVOLVIDAS DO BRASIL

Resumo

Este estudo teve como objetivo desvelar qual o papel da percepção gerencial de problemas para a efetividade em SEs baseados no semiárido brasileiro. Para tanto, utilizou como definições operacionais de SEs e efetividade as fornecidas por Lasprogatta e Cotten (2003) e Diochon e Anderson (2009), respectivamente. Metodologicamente, uma pesquisa qualitativa foi empregada por meio da realização de vinte e três entrevistas semiestruturadas e da coleta de material relacionado, como vídeos, sites e artigos de mídia. A análise de dados utilizou a técnica de análise de conteúdo de Bardin com o auxílio do software @Nvivo 10 para análise qualitativa. Os resultados da pesquisa

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destacaram a importância de uma mentalidade proativa, adaptativa e engenhosa para enquadrar desafios em oportunidades de negócios e trabalho social. Além disso, os resultados demonstraram que a percepção gerencial dos problemas emergiu através de diferentes estratégias, motivadas por distintas razões e sistematizadas para que a replicação se tornasse mais fácil. Equipes de empreendedorismo social também fomentaram redes intersectoriais com as seções do governo e parceiros de empresas privadas para melhorar seus esforços.

Palavras-chave: Empresas sociais. Empreendedores sociais. Percepção de problemas. ONGs. Brasil.

Introduction

Social Entrepreneurship (SEship) has been, through the past years, a prolific area for scholars and practitioners. The efforts of social entrepreneurs is documented as ones of important influence on positive social, economic and environmental transformations. Social Enterprises (SEs) consider business models associating economic, social and environmental objectives with an orientation towards a different future (HUYBRECHTS; NICHOLLS, 2012; BORZAGA; DEPEDRI; GALERA, 2012).

Globally, the number of social enterprises 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).

Huybrechts and Nicholls (2012) outline three leading reasons for the emergence of social entrepreneurship. First, the growing demand for social actions to mitigate the impacts of crises. Second, innovative and modern technical devices and programs enabling actors from civil society and social entrepreneurs to interact. Finally, the change in the role of the State, which has been gradually decreasing expenses with social welfare to reduce costs in order to manage public accounts more efficiently.

In this regards, methods and tools used by social entrepreneurial organizations to perceive and solve their problems, creating appropriate and innovative solutions is a way to understand how these businesses can be effective and sustainable over time. Perceiving and solving specific problems is vital for for-profit companies and social enterprises alike (SCHILLER, 2013; HAYHOE; VALENTINE, 2013; ALMARRI, 2014).

Considering the aforementioned aspects, this study aimed to what the role of managerial perception of problems for social enterprises in Ceará is. This question lingered as the state is located in the northeastern region of Brazil, in the heart of extreme weather conditions, with constant droughts as well as historical inequalities and poverty. Social entrepreneurial organizations have been trying to tackle different social demands, immanent to a territory with such important issues to solve. Social demands in a territory like Ceará are multiplex, thus, summed to its poverty, are found difficult to be fully contemplated by either the government or the private sector; therefore, there has been plenty of room for social enterprises to operate (VIDAL; FARIAS; FARIAS, 2005; OLIVEIRA; ROCHA; PINTO, 2009; LEAL; FREITAS; COELHO, 2013).

To answer this research question, a qualitative research was conducted in two social enterprises located in the municipalities of Aquiraz and Pentecoste. Twenty-three interviews with the managing team of these organizations were performed. Besides the primary data generated with the interviews, secondary sources were utilized to complement information about these organizations, namely the *Instituto Tecnológico e Vocacional Avançado* (ITEVA – Advanced Technological and Vocational Institute) located in Aquiraz and the *Agência de Desenvolvimento Local* (Agency of Local Development – ADEL in Portuguese) in Pentecoste. Data analysis employed the Nvivo® 10 software for qualitative research, which facilitated and helped validating the sources.

This paper is divided as follows. After this introduction, the theoretical backgrounds on social entrepreneurship and perception of problems are introduced. The third section presents the methodological aspects that underpinned this research. The results from both cases are conveyed

and discussed in the fourth section. Finally, the final remarks display the conclusions as well as suggestions for future studies.

Social enterprises (ses) and social entrepreneurship (seship) – key aspects

Social enterprises (SEs) might be understood as the utilization of non-governmental, market-based approaches to face social problems. In this sense, a social enterprise normally supplies a “business” source of revenue for different kinds of socially oriented organizations and initiatives. (MAIR AND MARTI, 2006).

“Social enterprise” was coined as a term in Italy during the 1980s as a way to describe innovative private activities established voluntarily. These initiatives were started citizens to deliver social services or to administrate economic activities designed to assist disadvantaged people. Concurrently, organizations with comparable objectives were created in other European countries (BORZAGA; DEPEDRI; 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 in 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; GALERA, 2012).

On the other hand, in Latin America, the array of NGOs and social enterprises has also been increasing since the 1980s. This happened as a civil society reaction to issues such as unemployment, inequality and social marginalization. In Latin America, the solidarity economy movement comprises distinct 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. SEs can be considered a part of this locally oriented reaction (BORZAGA; DEPEDRI; GALERA, 2012).

If Seship would be depicted as a spectre, at one end it is possible to find scholars such as Dees (1998), who supported that social enterprises should have an unconditional social orientation. Such orientation is an essential criterion, and financial wealth was supposed to be only a strategy to achieve the social mission. Social goals, however, may also come along earned incomes. When an NGO is combined with activities aiming at generating profits, they are often named *hybrids*. In this sense, Peredo and McLean (2006) give 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, foundations would belong to this second kind.

Souza and Silva-Filho (2014) mentioned two important examples of this second type of social enterprises. The Brazil Foundation from the USA and the Konrad Adenauer Foundation from Germany, which have 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).

Nonetheless, the boundaries between not-for-profit and for-profit organization engaging in social missions are not precise (MAIR; BATTILLANA; CARDENAS, 2012; CHOI; MAJUMDAR, 2014). The bottom line would be that initiatives with social goals can distribute profits to their owners and still be understood as social enterprises (PEREDO; MCLEAN, 2006).

Attempting to provide a clear definition to Seship, Zahra *et al.* (2009) foregrounded previous research wherein the place of social goals is equal to economic goals, and thus, referring to what is named the double bottom line. However, the prominence of social goals among others appear to have become broadly accepted by the literature regarding social enterprises and social entrepreneurship (MAIR; MARTI, 2006; ZAHRA *et al.*, 2009; TRIVEDI; STOKOLS, 2011; CHOI; MAJUMDAR, 2014).

For operational purposes, this study considered social enterprises for-profit initiatives started by not-for-profit organizations in order to attain an alternative source of revenues (LASPROGATTA; COTTEN, 2003). The purpose would be to become as least as possible dependent on sources of income such as governmental grants, subsidies or private donations.

Since this research aimed to scrutinize the role of managerial perception of problems in SEs, the following section details how this element is outlined within the scope of social entrepreneurial organizations.

Managerial perception of problems in social enterprises

This subsection encompasses the importance of how management teams in SEs frame and solve their challenges. The academic research has been emphasizing the relevance of a solution-oriented mentality and related practices, with authors such as Dart (2004), Hynes (2009), Hayhoe and Valentine (2013), Schiller (2013) as well as Almarri (2014) foregrounding it as a key characteristic to determine whether an organization would be considered a social enterprise or not.

The complexity and specificity social enterprises face to solve their problems require the proportional kind of responses. Hence, Schiller (2013) qualifies *perception of problems* as the fourth dimension to analyse social enterprises, and, although her study comprises the Austrian context, it may be fitted to the Brazilian given that some structural, financial and legal challenges as well as their solving are pertinent to different contexts, being this resolution essential for the success and sustainability of these organizations.

The similarity of challenges social enterprises face, even though existing in different contexts, can be witnessed in the account provided by Hayhoe and Valentine (2013) and Almarri (2014). Although discussing problems and possible solutions for social enterprises in rather distinct scenarios, the former consider the Canadian and the latter deal with Islamic countries, it is possible to see these studies are rather close to one another.

They present convergent ideas as both expose the challenge of finding the right balance between seeking incomes from outside sources and continuing to be faithful to the social mission as one of the most prominent challenges to social entrepreneurs. A problem also discussed by Dart (2004) as he suggests that elements of business-like services offered by third sector organizations could be promptly focus of inquiry concerning their compatibility with the social mission non-profits would normally be expected to embody.

Moreover, according to Hayhoe and Valentine (2013) and Almarri (2014), one of the greatest issues social enterprises need to address is the lack of a legal framework tailored to their peculiar nature. These frameworks vary concerning the tax treatment they provide to social entrepreneurial organizations. The authors' insight converge once more as they assert that none of the native legal structures is capable of perfectly accommodating the combination of business-like operations, social mission and private returns that define social enterprise.

This challenge, in particular, is also highlighted by Alves and Koga (2006), who state that in spite of the evolution of the Brazilian legal framework since the late 1990s, there would not be a legal structure suited for organizations aiming to combine social entrepreneurial characteristics, thus, taking opportunity of the legal benefits would be challenging for Brazilian third sector organizations.

In this regard, Hynes (2009) introduces five issues that social entrepreneurs would need to solve to be grow in their field. The first challenge, accessing finance and investment, means to secure the financial background to develop and expand a matter to be solved, in accordance with Borzaga and Solari (2001), who also asserted about such challenge.

Second, social entrepreneurs would need to tackle the lack of understanding the concept has by non-financial stakeholders and the public. Third, the management team in social enterprises would also need to address to how to price for their service and manage the cash flow. Fourth, once social enterprises have a different profile of workers, they need to face problems regarding recruiting and retaining staff. In other words, human resources management is key to social entrepreneurial effectiveness and sustainability (HYNES, 2009; BORZAGA; SOLARI, 2001).

Finally, based on Hynes (2009), social entrepreneurs need to solve how to adapt to changes in their fields; the core of this challenge is to adjust their original role in the business to fit to transforming internal and external demands on the organization.

The frame of an action would be defined by the degree of uncertainty, novelty, interdependence, interaction, control, variety, skill and knowledge required to achieve the task's completion. In addition, these authors concurred that managing the challenges of social exclusion and marginalization, increasing self-reliance and sustainability, reshaping and giving a different meaning to how social structures might be comprehended. In this sense, the definition of effective SEs then adopted throughout this research drew on Diochon and Anderson (2009), who consider that

an effective SE would be one capable of fulfilling its social mission whereas being as least dependent as possible on external funding coming from the government, private companies or individuals.

Hence, instruments and strategies utilized by SEs to identify and deal with their problems, fomenting suitable solutions is a form to interpret how these businesses can be successful and sustainable over time. Perceiving and solving specific problems is vital for for-profit companies and social enterprises alike. This research took into consideration this background on problem perception to investigate the importance of this feature in the cases sampled. The methodological procedures through which it was operationalized are explained in the next section.

Methodology

This study is exploratory and descriptive. The former draws on a research question with few previous studies from which information can be collected; this kind of research intends to attain familiarity with the field studied so investigation that is more rigorous can be carried out later. Considering its descriptive nature, the intention was to outline a phenomenon's behaviour and to identify characteristics of a determined problem (COLLIS; HUSSEY, 2005).

The current 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), the multiple case study intended to identify cases that might predict similar results (literal replication) and a theoretical sampling process followed this step, once cases were selected based on theoretical reasons. In addition, cases were chosen intentionally, focusing on the ones that maximize both quality and value of information considering the objectives conveyed.

The unit of analysis was the social enterprise. In the social enterprises' microverse, the scope chosen involved the ones engaging in commercial activities, in the sense that they sell goods or services to customers, competing with other enterprises (LASPROGATA; COTTEN, 2003). Furthermore, the importance of innovation to foment effective SEs regarded the definition of effectiveness suggested by Diochon and Anderson (2009).

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 held with 11 (eleven) professionals involved in managing these social enterprises.

To form the sample, *two social enterprises* were selected because they fitted the aforementioned operational definitions. Furthermore, these organizations showed openness and collaboration to the study, besides fitting the operational definition from Lasprogatta and Cotten (2003). We had found two other SEs, which were excluded, despite aligning to the definition; one had already been exhaustively studied, leaving little room for novel researches, 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 Aquiraz and the social enterprise *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) began working with fomenting entrepreneurship among young people in the poor countryside in Ceará and its social enterprise *Fundo Veredas* started in 2012 as an effort to increase the NGO's financial autonomy and enable their graduates to open their businesses.

In ITEVA, 7 (six) people occupying important managerial functions were interviewed: the general coordinator, the technical coordinators and the administrative-financial coordinator. Regarding ADEL and *Fundo Veredas*, 4 (four) interviews were performed with key managerial staff members in order to gather information related to the role of perception of problems within these SEs. This set of interviews encompassed the managing directors of the NGO and the Social enterprise.

The motivation to hear only the managerial team in both organizations came from the fact that these individuals were directly responsible for planning and implementing innovative practices. Thus, in alignment with the objectives of this research, the focus chosen was on how the solutions to problems were devised and performed rather than analysing their impacts on beneficiaries, which would justify listening these actors, a path different from the one selected here.

The analysis of primary sources was performed through the software *Nvivo*® version 10.0 for analysing qualitative data. In this regard, Gray (2004) stated that a software could provide greater convenience to treat data and, when utilized suitably, could be very effective.

Mozzato and Grzybovski (2011) agreed with Gray, asserting that the appropriate usage of softwares is a good way to seek validity in a study. *Nvivo*® was mentioned as one that has been increasingly employed in Management studies. The software facilitates and qualifies the analytical process. Nevertheless, according to the same authors, although computer programs could make analysis and interpretation easier, they do not replace the scholar's active role in managing these processes.

Research sources were analysed in parts and related information was distributed. Aiming to improve such distribution, the Bardin's (1977) content analysis technique was also employed; 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 a "parent-node" created for the construct "perception of problems", following a procedure similar to the one used by Souza (2014). Questions on the relevance of how manage address to challenges in the sampled SEs were codified into "subnodes" and later a connection was established between sources and subnodes. Research findings and the results of this analytical process are presented, problematized and discussed in the next section.

Analysis and discussion of results

This section introduces, analyses and discusses the importance of managerial perception of problems in the studied social enterprises selected for this study. Data from different materials such as interviewees' accounts, websites' information and institutional material ceded by these organizations are presented to give support to the conclusions reached throughout the following paragraphs.

The role of perception of problems in ITEVA-Midiacom.net

Brazilian third sector organizations face different sorts of challenges in addressing their chosen social demands. Hynes (2009) and Schiller (2013) 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. Figure 1 brings forth findings reported in the data about such challenges, how they are realized and solved by the actors involved with the sampled SE.

Figure 1: Extracts from data codified (ITEVA-Midiacom.net)

The role of perception of problems

INTERVIEWEES/MATERIAL	DATA
ITEVA-Midiacom.net's General Coordinator	<p>"Moreover, most NGOs don't operate as they really should, like a real enterprise, a company. An NGO is a company, the only difference is that it doesn't distribute profits, but it's for sure a company and if you don't look at it like one, you won't have any success." (Interview extract)</p> <p>"Ceará represents a little more than 2% of Brazil's GDP. Then, we have to keep in mind that it's a poor state and companies' contributive capacity is constrained, few companies can contribute and the ones that can end up pulverizing these resources. Added to that, you have many institutions in great need. So, the challenges are twofolded, you have little contributive capacity, which is necessary for investing in people and organizations. We solved this problem by strategically looking for resources outside the state." (Interview extract)</p>
ITEVA-Midiacom.net's Administrative-Financial Coordinator	<p>"The first [challenge] is the community and family demands, in some sense. If you ask them what kind of qualification they would like to have, maybe they wouldn't say digital communication. Thus, we have to work the contents and show results so we can be accepted. At the same time, you deal with different audiences and most of them work in areas such as agriculture or services. It's a habit to take the children to help, it's something common here. When the teenager starts to study the parent says that he want the boy to do so, he says it in front of everybody. Then, when we realize the teenager has potential and he starts coming here more often for more training, sometimes 4 or 5 times a week or the whole week, that same parent begins asking: 'ok, but now who's going to help me?'" (Interview extract)</p>
ITEVA-Midiacom.net's Technical Coordinator	<p>"Most times the teenager here is being prepared to exercise a paid activity, but at the beginning, he doesn't actually work, he is being prepared, studying. Hence, in the early start, he or she doesn't have a salary to take home and their parents think it's time for them to have a job. It matters very little if he is going to be an employee in a factory, or unload goods off a truck, he'll earn a minimum wage and that counts. Who are to talk them out of it?" (Interview extract)</p>
IBM's Executive of Corporate Citizenship	<p>"IBM inspects NGOs credibility to confirm their transparency and reliability. It's necessary to receive the resources we deposit, in this sense, there are legal standards these organizations need to comply and most of them have difficulty in organizing their reports. That needs to be coupled with delivering social results; it's a challenge for them. Private companies want to invest, but it's important that these organizations' management understand the importance of being transparent besides doing its social work." (Interview extract)</p>
Aquiraz' Secretary of Education	<p>"I think the program with ITEVA could contemplate even more teachers; we couldn't comprise everybody, unfortunately. What do we need? Financial resources, of course, to invest in purchasing equipment, formation, which takes time. I also see many companies and institutions that could be adding up to the social, to the governmental, that many times run away from such participation because they believe they'll contemplating a specific manager or term." (Interview extract)</p>
State Secretary of Labor and Social Development	<p>"The challenges are multiple. First, transparency. Transparency is very important for us, for the government as a whole, so we can build mutual trust with civil society organizations. A second [challenge] is the government being able to see society as an actor bringing innovation to the state, because they do have social technologies that, if scaled up, can become public policies. It's important to acknowledge and recognize such potential." (Interview extract)</p>
Manager from the Davis Home (NGO)	<p>"The challenge for NGOs is to organize and adapt to changes, because every year something changes. The system to capture resources today happen in a way, next year it's different and we have to keep seeking the best way to adapt and stay active. It takes a lot of work to piece all documents together and when you are arrive at the one in charge, you listen: 'this item here is wrong, thus, you were reproved'. It's not an easy thing and you end up considering why you are doing so much." (Interview extract)</p>

Source: Elaborated by the author using the sources codified in Nvivo® 10 software for qualitative analysis.

The challenge of complying with legal and accounting standards is key for SE survival not only in Brazil, but also over the world (ALMARRI, 2014; GALERA; BORZAGA, 2012). In ITEVA-Midiacom.net, such problem was solved by assembling a team, reassigned from its duties in digital

communication and production, to work specifically with the SE's financial reports. One of the members of this crew was sent to São Paulo to learn more about these processes.

The accounts reported that the managing team needed to take part in councils wherein it held seats to deliberate about decisions regarding which policies the governmental administration would deliberate about the third sector at municipal level. This presence was required to legitimate the social enterprise (and it increased its legitimacy over time) as well as to ensure revenue from private companies. Something that was first noticed as a problem, turned out to be a solution that even helped the SE to improve its image with partners and collaborators. The team understood the challenge of participating in these councils as a form to grow the SE even further, and this decisive and problem-solving mindset, typical of social entrepreneurs (DEES, 1998; MAIR; MARTI, 2006), is fundamental to run an effective social initiative despite the limitation of resources.

Borzaga and Solari (2001) and Hynes (2009) stress that another key challenge SEs face is to secure the financial background to develop or expand its activities. In this regard, social entrepreneurs in ITEVA-Midiacom.net have addressed to this problem by looking for companies and partnerships not only in the state or the region, but especially outside Ceará. For example, the managing team systematically visits companies in São Paulo to present the work they perform and suggest that these companies contribute with their work by depositing part of their income tax (up to 1% as permitted by the national law) in the FIA. This revenue is later withdrawn through the municipal government and the social enterprise is able to access it, thus, ensuring the continuity of its social activities as well as funding the basic operations the social enterprise needs to carry out to exist like any other business.

Hynes (2009) also point 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.

Moreover, another problem social enterprises need to tackle is how to cope with a different profile of workers. Such difference leads to challenges such as devising strategies to recruit and, most importantly, retain these workers, keeping them motivated in the organization (AUSTIN; STEVENSON; WEI-SKILLERN, 2006; DIOCHON; ANDERSON, 2009; HYNES, 2009). This problem was addressed by managers in ITEVA-Midiacom.net by elaborating a career plan and an evaluation system wherein staff can escalate, increasing their salaries in as much as their performance is assessed. In other words, as staff in the SE is evaluated individually and as a team, it is possible to obtain a better position and salary if the performance is considered positive. This system was elaborated after the internal demand for knowing the way employees could grow in the SE came up. The young staff needs to be constantly motivated, and thus, the evaluation system coupled with a career plan came up as the most appropriate solution for this problem, according to the data.

In addition, social entrepreneurs need to deal with the problem of changes in trends within the SE field itself. This aspect concerns on how the field has been reshaping over the decades. For example, transformations in legal frameworks, as pointed out previously, lead to changes in the field similarly to changes in funding policies (DIOCHON; ANDERSON, 2009). The managing staff in ITEVA-Midiacom.net coped with these changes in the field by adopting a social entrepreneurial behaviour, which means they have been trying to rely as least as possible on philanthropy.

As Kulothungan (2010) highlighted, the rise of an entrepreneurial culture since 1980s is an important element to understand the social entrepreneurial field in western countries, hence, initiatives that foment this culture are more likely to be legitimized in the present context. By aligning with such culture in the field, the managing staff in the SE has been able to depend less on donations and grants, by selling its services in the market. Therefore, the social enterprise solve two problems at once: it relies less on philanthropy (becoming more self-sustainable) and gains legitimacy in this emerging field.

Therefore, because of a positive mentality on how to face challenges, the managers in ITEVA-Midiacom.net have pursued solutions to problems faced throughout the organization's history. This mindset on how to perceive and tackle problems is, for some authors, a fundamental characteristic

of social entrepreneurship (DEES, 1998; MAIR; MARTI, 2006) as it affects and shapes the undertaking as a whole. Managers in the SE studied aimed at solving problems through strategies that ended up in a more effective organization, capable of delivering results, tackling the chosen social demand.

The role of perception of problems in ADEL-Fundo Veredas

Specific challenges, and corresponding solutions that ADEL-Fundo Veredas need to address are comparable to the ones faced by Midiacom.net, but similarities only go to a certain extent as their realities and fields differ. For example, to comply with procedures inherent to the Brazilian framework for OSCIPs (ALVES; KOGA, 2006) and demands from partners, instead of training people and opening an area to deal with accounting, the managing team in Fundo Veredas went in another direction and reallocated one of its most experienced members to the position of Chief Financial Officer. Realizing the need to adapt quickly to emerging demands has been key to reach effectiveness (HYNES, 2009; SCHILLER, 2013). In this concern, Figure 2 highlights the data giving support this analysis.

Figure 2: Extracts from data codified (ADEL-Fundo Veredas)

The role of perception of problems	
INTERVIEWEES	DATA
ADEL's Chief Executive Officer	"We invested heavily in communication, to occupy as many spaces as possible. Our market, whether we want it or not, it is rather small and thin, there aren't many supporters and there's a lot of demand from many organizations. So, there are times when I am in an Institute and in another day I go to another and meet the same person there. Then, there's this important need for good relationships with organizations and people, that was something we needed to learn how to deal with. Another thing we needed to learn how to deal with was when we won the award in 2010, it gave us national projection, people got to know us although we are hidden in the semiarid. We send emails and people heard from us and that facilitate things, so, we got spaces to advertise our work. You know, the market for projects is based on visibility or indication, someone is always introducing someone else. Having a good and solid project helps a lot, but being visible is vital to decide where the resource goes." (Interview extract)
ADEL's Chief Financial Officer	"There is always the question of trust between partner and investor. Sometimes he prefers to invest the in an entity he knows the work, he knows his investment will be well applied rather investing somewhere even with a better project, but unknown to him or her." (Interview extract) "We started ADEL by thinking about something that needed to be done correctly and professionally, but with time, we specialized. Because of our contact with other entities and partners, we learned fast, many partners have their manual of instructions and it gets easier to execute the project the way they want, especially when we need to make the final reports. When we compare ourselves to other organizations and associations here in Ceará, we realize we are much more advanced because since out beginning we have focused on being professional." (Interview extract)
ADEL's Chief of Operations	"I agree with him [the CFO]. Nowadays, we are very focused on making things work here, I don't know if ADEL has reached a stage where it's safe to look for others and share. We tried it in the beginning with other institutes and foundations, but there's much competition and jealousy in the third sector. Much of it because it's difficult to bridge to a partner and propose something together. We must be efficient and effective to survive, because of problems inherent to the field and the competition. So, we keep focused on doing our work the best way possible, but we want to break these resistances and work collectively with everybody we can." (Interview extract)
ADEL's on-field articulator and operational coordinator	"In the first class, 12 youngsters could implement their businesses with funding coming from Veredas or from their own. Others left and used the abilities acquired here to develop other activities; just a few couldn't do anything. There are some who didn't start businesses, but either develop or work with social projects." (Interview extract) "We needed to start enterprises adaptable to this climate; even so, we've been having some unexpected problems. Without them, we would have reached even greater results. When the first class finished in 2011, we had a strong drought, then two others in the following years, but we have endured and survived." (Interview extract)
ADEL's promotional video (Young Rural Entrepreneur Program)	"Regarding family farmers, the difficulty was to make them accept working in groups. There was a lot of suspicion about it. They had good techniques, but the lack of collective thinking was a constraint. Although cooperation and association were stimulated, they preferred to stay insulated; thus, it was realized that a solution was to go after young people and include them through a culture of entrepreneurship and collaboration." (Young Rural Entrepreneur Program Promotional Video)

Source: Elaborated by the author using the sources codified in Nvivo® 10 software for qualitative analysis.

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. In this regard, Dees (1998) and Mair and Marti (2006) emphasize the ability to solve problems in spite of constraints as fundamental for social entrepreneurial success.

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; 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. Furthermore, word-of-mouth among beneficiaries has been important and it has expanded the work being done. In this sense, interviews and other data reported the relevance of such understanding and its benefits for enhancing positive outcomes.

ADEL-Fundo Veredas' team have also tackled the problem of managing different profile of workers, typical of SEs, (AUSTIN; STEVENSON; WEI-SKILLERN, 2006; DIOCHON; ANDERSON, 2009; HYNES, 2009), but using distinct strategies from the ones employed in ITEVA, which can be theorized because of its recentness. For example, once the staff is smaller in ADEL-Fundo Veredas, composed by only 10 individuals, these personnel are integrated and retained through democratic governance practices. Employees are heard and opinions accommodated while emerging problems need to be given solutions that contemplate everybody; and by doing so, despite the common staff retention problems social enterprises face, ADEL-Fundo Veredas has reshaped itself to consider these demands.

According to Diochon and Anderson (2009), another challenge to be solved within SEs are the transformations happening in the internal environment of these organizations. This problem appeared in ADEL-Fundo Veredas and the solution presented was to turn the organization's focus from family farmers exclusively to the work with youth entrepreneurship in the semiarid. This perception inserted the social enterprise in another segment, allowed it to reach other investors and to expand the scope of its social mission, working with family farmers (parents) and the local youth (children) empowered the SE to achieve better outcomes. Moreover, it made ADEL-Fundo Veredas nationally renowned.

Since the 1980s, a culture of entrepreneurship has risen in the third sector (Kulothungan, 2010); to align with such culture is important as it grants further legitimacy to SEs. Underpinned by a positive problem-solving mindset, social entrepreneurship has been linked to solving problems through strategies leading to more effective business models (MAIR; MARTI, 2006).

Concluding remarks

This research aimed on the role of managerial perception of problems in two social enterprises operating in the Brazilian northeastern semiarid region, more precisely, in two municipalities in the state of Ceará. The question to be answered regarded the importance of managerial posture towards challenges for these organizations to be effective in fulfilling their social missions, tackling community demands for skills and local development.

The objective was to highlight how social enterprises have taking advantage of their managing staff adaptive, proactive and resilient mindset to address to their respective social

demands. In order to contemplate this objective, operational definitions for what kind of organizations would be characterized as SEs as well as how they would be identified as effective and innovative were drawn on Lasprogatta and Cotten (2003) as well as Diochon and Anderson (2009).

Furthermore, by employing a qualitative approach through utilizing of Nvivo® 10 software of qualitative analysis and a double case study as investigation strategy, it was possible to outline that for both cases the way social entrepreneurs frame and solve problems has been key for success since their inception. Despite the fact that the path taken had been different, the ability to realize and seize challenges in a positive, proactive as well as resilient form. Even being able to turn the outcomes of those challenges into services or products that could, throughout their processes, empower and help vulnerable social actors.

In both cases, solutions were employed to change procedures, products and services when demands changed. For instance, the courses these SEs offered to their beneficiaries were transformed in order to make them more attractive, inserting these people in the job market based on the speed they needed, thus, preventing evasion. Moreover, internal training and evaluative procedures were created (or modified) to increase dynamism to the undertakings.

Future research can take opportunity to employ different operational definitions to increase sample size, allowing the addition of a larger quantity of enterprises in the scope for analysis. Other theoretical paradigms could also be used. Granting 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. Including considerations on gender and race would enable a different view about SEship, especially in such a peculiar socio-economic scenario as the one observed in the state of Ceará.

In conclusion, this study contributes with the academia as it confirms the relevance of teamwork intrapreneurship for social enterprises in a scenario of extreme weather conditions and historical poverty as well as social inequalities such as the state of Ceará. The role of managers has been essential in other contexts and this research proved it as important for social entrepreneurial organization addressing to social demands in the semiarid region.

There are also implications for practitioners inasmuch as the examples of the processes in the SEs would help other organizations of the same kind to establish theirs and obtain a similar degree of effectiveness. The tactics utilized to foster innovative practices can enable other social enterprises to be successful and help other vulnerable communities.

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