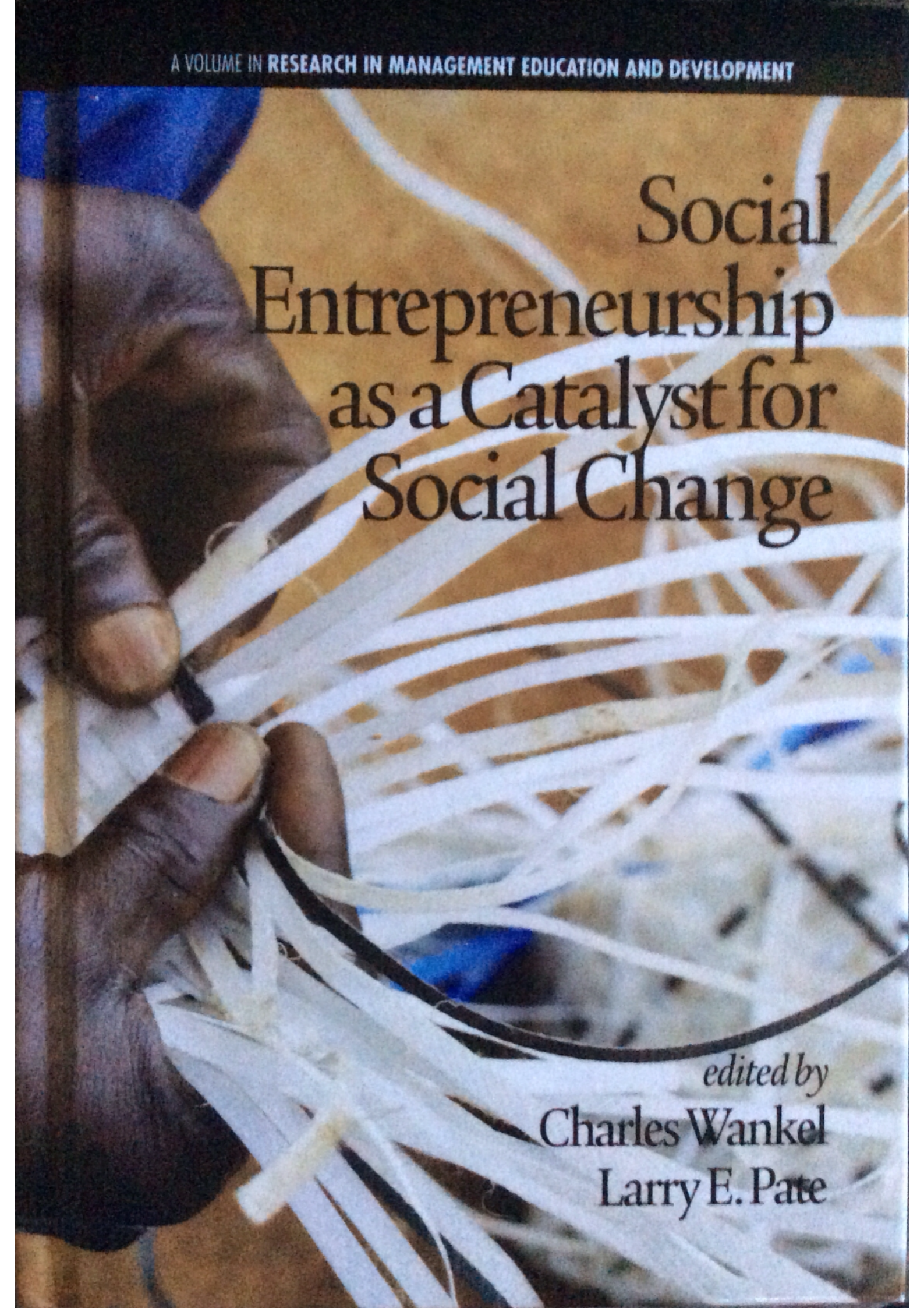


A VOLUME IN RESEARCH IN MANAGEMENT EDUCATION AND DEVELOPMENT



Social
Entrepreneurship
as a Catalyst for
Social Change

edited by
Charles Wankel
Larry E. Pate

Library of Congress Cataloging-in-Publication Data

A CIP record for this book is available from the Library of Congress
<http://www.loc.gov>

ISBN: 978-1-62396-445-0 (Paperback)
978-1-62396-446-7 (Hardcover)
978-1-62396-447-4 (ebook)

CONTENTS

PART I

SOCIAL ENTREPRENEURSHIP: DEFINITIONS AND BOUNDARIES

- 1 Dreaming, Deciding, Doing: Three Essential Ingredients for Creating Positive Social Change..... 3
Larry E. Pale and Charles Wankel
- 2 Do Good, Make Good: The Business Support Landscape of Social Entrepreneurship..... 15
Mark A. Clark, Joann Keyton, and Alistair E. Dawson
- 3 Rise, Fall, and Re-Emergence of Social Enterprise..... 39
Gary Mulholland, Claire MacEachen, and Ilius Kaparelitis
- 4 Social Entrepreneurship at the Nexus..... 67
Cleveland Justis and Andrew Hargadon
- 5 Cultural Perspective on Social Entrepreneurship: A Case Study of Facebook Usage by a Community-Based Cancer Treatment Center in Rural Thailand 85
Suwichit (Sean) Chaidaron and Angela Ka Ying Mak
- 6 Transforming to a Social Enterprise: A Governance Perspective 115
Patrice Luoma and Dale Jasinski

Copyright © 2013 Information Age Publishing Inc.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, microfilming, recording or otherwise, without written permission from the publisher.

Printed in the United States of America

PART II

LESSONS FROM THE FIELD: HOW SOCIAL ENTREPRENEURIAL COMPANIES ARE SUCCEEDING

- 7 Social Entrepreneurship Solution for Veterans Reintegration Through Entrepreneur Training for Veterans With Disabilities... 139
Michael J. Zaczka and Wynn De Shaw Harris
- 8 The Microfinance Paradox: The Questions That Social Entrepreneurship Theory Needs to Answer..... 165
Tapina Winston Seremani
- 9 Think Win-Win: Teaching Social Entrepreneurship in a Real-Life Setting..... 181
Daniel Markgraf and Stefan Klein
- 10 Storytelling Through Integrated Marketing Communication 207
Nancy E. Fulton
- 11 A Personal Perspective of Building a Social Enterprise to Support Child and Adult Care..... 223
Angela Brown, Peter Smith, and Judith Kait
- 12 Social Entrepreneurship in Brazil: The Child's Pastoral Project..... 243
Neusa Maria Bastos Fernandes dos Santos, Cássia Maria Paula Lima, Janaina Kate da Silva Dourado, Maria Tereza Stefani, and Roberto Fernandes dos Santos

PART III

GOING FROM LOCAL TO GLOBAL

- 13 The Internationalization of Social Entrepreneurship Between Local and Global Markets: The Micro-Stories in the Chocolate of Modica..... 265
M. Cristina Longo
- 14 When Do Social Ventures Internationalize? A Theoretical Framework 299
Sarah Park, Michael Koch, Ignasi Martí

- 15 Social Media as a Social Entrepreneurship Networking Platform: The Case of "Social Entrepreneurship in Croatia," a Community Facebook Page 317
Davorika Vidovic, Tina Lee Odinsky-Zec, Julia and Peric

- 16 Balancing Cultural Differences and Organizational Priorities in Social Enterprises: Lessons from Asia for Nascent Social Entrepreneurs..... 343
Mary Conway Dato-on and Sarah Easter

- 17 Social Entrepreneurship and Indigenous Communities: The Cases of Brazil and Greenland..... 367
Robert D. Straughan and Elizabeth Coad Oliver

PART IV

CHALLENGES IN SOCIAL ENTREPRENEURSHIP

- 18 When Claims to IP Are Involved, How Generous Must a Social Entrepreneur Be? The Case of Nutriset..... 397
Nanette Clinch, Asbjorn Oslund, Xiaohong Quan, and Aparajitha Vadlamannati
- 19 Social Franchising..... 411
Sivakumar Alur
- 20 Control Data's Market-Driven Approach to Social Problems: The Early Efforts and Mixed Results of William Norris..... 425
Laura G. Singleton
- About the Contributors..... 455

Pudlick, J. (2012, December 16). Tag campaigns "deliberately misled, confused and obstructed" the public, FRSB finds. *Third Sector Online*. Retrieved from <http://www.thirdsector.co.uk/Fundraising/article/1164487/Tag-Campaigns-deliberately-misled-confused-obstructed-public-FRSB-finds/?HAWILG=LATEST>

LATEST

Ridley-Duff, R., & Bull, M. (2011). *Understanding social enterprise: Theory and practice*. Thousand Oaks, CA: Sage.

Rothschild, J., & Allen-Whitt, J. (1986). *The cooperative workplace*. New York, NY: Cambridge University Press.

Salomon, M. (2000). *Industrial relations: Theory and practice* (4th ed.). Englewood Cliffs, NJ: Prentice Hall.

Simmons College. (n.d.). *The Japanese nonprofit sector*. Retrieved from http://www.simmons.edu/centers/jwii/docs/Japans_NP_Sector.pdf

SocialEnterpriseUK. (2012). Retrieved from <http://www.socialenterprise.org.uk/about>

Strom, S. (2009, February 19). *Charities now seek bankruptcy protection Twitter*. Retrieved from [http://www.nytimes.com/2009/02/20/us/20bankrupt.html?_r=3&partner=rss&emc=rss&_r=3&partner=rss&emc=rss](http://www.nytimes.com/2009/02/20/us/20bankrupt.html?_r=3&partner=rss&emc=rss&_r=3&partner=rss&emc=rss&_r=3&partner=rss&emc=rss)

Takao, Y. (2001). The rise of the "third sector" in Japan. *Asian Survey*, *XLII*(2), 290-309.

Tesco. (2012). *Social responsibility*. Retrieved from <http://www.tesco-graduates.com/home/about/social-responsibility>

ThirdSector. (2006). *Bankruptcy hits disability charity*. Retrieved from <http://www.thirdsector.co.uk/news/619356/Bankruptcy-hits-disability-charity/?DCMP=ILC>

UKFundraising. (2013). Retrieved from <http://www.fundraising.co.uk/>

Wesall, A., & Chalkey, D. (2007). *Social enterprise futures*. London, UK: Smith Institute. Retrieved from http://www.smith-institute.org.uk/pdfs/social_enterprise.pdf

CHAPTER 4

**SOCIAL ENTREPRENEURSHIP
AT THE NEXUS**

Cleveland Justis and Andrew Hargadon

INTRODUCTION

The social entrepreneur often works at the intersection of business, government, and nonprofit sectors (Wei-Skillern, Austin, Leonard, & Stevenson, 2007). Historically, such arrangements have been called public-private partnerships, offering a flat and reductive description of the dynamic and idiosyncratic nature of the actors and work. Recent literature on social entrepreneurship tends to focus on and within the entrepreneurial venture without fully exploring the nature of working at the nexus of different sectors. As a result, the literature remains relatively thin on the topic of entrepreneurial approaches to the work of structuring the intersection of society's three sectors (business, government, and nonprofit) that defines each unique venture. By definition, the social entrepreneur is creating a unique and novel venture. The social entrepreneur must thus structure the particular relationships that define the intersection between particular actors from business, government, and nonprofits.

Recently, numerous leaders have called for research on both entrepreneurship and social entrepreneurship that transcends organizational borders (Austin, Stevenson, & Wei-Skillern, 2006; Sandin & Tillman, 2010).

Rising to this challenge, the authors build upon the existing social entrepreneurship literature. Grounded by sociology, management, and policy theory, we explore and expand upon the existing literature to show how interorganizational collaborative initiatives overcome their competing logics to construct a new set of relationships between often very different actors.

The vast majority of literature in the field ignores the idiosyncratic nature of networks in cross-sector initiatives. To make the boundary-spanning work of such collaborations effective, entrepreneurs must utilize their extant network as well as build new connections in ways that bridge the differing logics and incentives of business, government, and nonprofit systems. Our approach emphasizes the work of the individuals operating inside and across organizations—both the social entrepreneurs and the operational partners—to overcome the competing logics of each sector to build a successful venture operating at the nexus of all three. Managing these logics involves reaching outside of the social entrepreneur's own network and building what will become a new and stable network of relationships that supports and, indeed, constitutes the new venture.

Taking a case-based approach, the authors examine two social entrepreneurial enterprises that by design were created to operate at the intersection of sectors; the first author worked as a participant within the partnerships described and hence has intimate knowledge of the examples discussed. Both are located on federal national park land in the San Francisco Bay area. Both projects were established within approximately the same geographical region, faced intense earned revenue and financial self-sufficiency mandates, operated within similar institutional logics, and employed inherently cross-sector models to do their work. We use these cases to explicate a theory of nexus work in social entrepreneurship with five primary dimensions. Utilizing these dimensions of nexus work, we explain how individual social entrepreneurs were able to bridge the differing logics and construct, without direct precedent, a new and sustaining set of relationships between network actors that made the ventures successful.

CASES: PRESIDIO TRUST AND CAVALLO POINT LODGE

The Setting

Both cases take place between 1994 and 2013 in the Golden Gate National Recreation Area (GCNRA), which was formed by the federal government in 1972. The GCNRA now constitutes over 80,000 acres of public lands in three counties, surrounding much of the city of San Francisco and extending into Silicon Valley (Meyer & Delehanty, 2006). The park is comprised of ten former military bases with thousands of historically significant

buildings. The National Park Service (NPS) of the U.S. Department of the Interior is charged with administrative responsibility. The NPS manages a vast array of sites across the United States, including nearly 400 large wilderness parks, battlefields, historic sites, and museums. Even within an agency that manages a vast array of resources, the GCNRA is remarkable in its complexity and expense. Due to this complexity, the Department of Interior and the NPS needed to develop innovative ways to manage the manifold federal assets of the GCNRA (Meyer & Delehanty, 2006).

Typically, units of the NPS are funded primarily through annual appropriations from the federal government. In many park units, these funds are augmented by special construction or project funding. Some park units have strong philanthropic partners who contribute to the park's operations through fundraising efforts. While the GCNRA still receives considerable federal funding of about \$25 million per year to operate, it has developed a model of public-private-government partnership to help fill in the need that some estimate to be more than ten times the annual federal appropriation (Gantz, 2012).

The GCNRA offers an international model for partnership and innovation, providing an example for studying entrepreneurship at the intersection of business, government, and nonprofits. While much of the work in the GCNRA may fall under the rubric of what is considered public-private partnership work, we have chosen two examples where a financial and entrepreneurial component is particularly strong: the Presidio Trust and Fort Baker.

The Presidio Trust

The Presidio, a former military base, was transferred to the NPS in 1994 and became part of the GCNRA. Congress quickly realized that the rehabilitation and operational needs of the Presidio far exceeded the amount they were willing to allocate as an ongoing commitment. Thus, they established a wholly owned, independent government corporation named the Presidio Trust Corporation (the Trust) to manage the park. The Presidio Act that created the Trust included a unique requirement for a national park site: The Trust had to become financially self-sustaining within 15 years after the first meeting of its board of directors. The Presidio Act mandated that the NPS maintain management of the coastal lands within the Presidio, while the Trust would manage the inland area, thus making two independent government entities responsible for the management of the park.

The mandate set by the federal government stipulated that all the assets would be sold as surplus assets if self-sufficiency wasn't reached punctually, thus dissolving the park into parcels of private assets (National Academy of Public Administration, 2004). Monetizing the rental of nearly 1,000

buildings was seen as the key to self-sufficiency, and achieving this entailed the development of an aggressive real estate leasing and development function unlike any prior on park land (Hellmann, 2010).

This strategy of real estate leasing and development had little precedent within both the GCNRA and the larger NPS and was perceived as conflicting with the traditional resource preservation functions of a national park. Many high-profile environmental groups, park-advocacy groups, and prominent citizens were in opposition to the model and the possible precedent that the Presidio Trust set for the future of parks: the potential privatization of parks and public lands. To this day, the dual missions of the park—financial self-sufficiency and resource protection—come into conflict. Managing this conflict is one of the constant challenges of the initiative's leadership.

The Presidio is a dynamic experiment in social innovation—two separate government agencies managing the same area alongside the need to develop an ambitious profit-making real estate function within a culture that isn't typically comfortable with private development. On top of this, this experiment in park-building was taking place under intense scrutiny from Washington and in adjacent proximity to the wealthiest neighborhoods of a famously politically active citizenry.

While the project has certainly been controversial and challenging at times, the results have nonetheless been dramatic. The Presidio reached its self-sufficiency goal as well as a level of mission success few would have imagined. As the Trust reports:

The Presidio Trust and its grantors have invested more than \$416 million throughout the park since 1997, creating a revenue stream of \$78.3 million in FY 12. Each year, as federal appropriations have decreased, the amount of private investment has increased, as has the number of rehabilitated and leased buildings. The Presidio is an active community today with 97% of its 1,155 residential units occupied, contributing \$41.1 million in FY 12. Additionally, the Presidio's non-residential buildings contributed \$28.2 million in FY 12, with hospitality and other revenues contributing \$9.0 million. (Presidio Trust, 2011, p. 7)

The Trust also reports remarkable progress in its preservation and park-building functions, including development of robust community programs, natural history preservation, and environmental remediation. In one of these functions alone, the historic preservation work, the Trust reports:

The Trust and its partners have rehabilitated 350 of the park's 433 historic buildings. Historic landscapes, including Gardens, historic forest and parade pathways, have been returned to their previous elegance. The Trust has also

made significant strides in archaeology, which is closely tied to historic preservation. (Presidio Trust, 2011, p. 9)

These accomplishments are remarkable, especially in hindsight when just 10 years earlier many wondered publicly whether self-sufficiency was even remotely possible. In 2013, the Trust announced that it had achieved that sufficiency and needs no further federal subsidies (Nole, 2013).

Fort Baker and the Development of Cavallo Point Lodge

A less well-known example of entrepreneurship at the nexus occurs at a different location in the park, Fort Baker. This area shares some important similarities with the Presidio, yet it also has evolved quite differently. Like the Presidio, Fort Baker was a military base that was transferred to the NPS when its assets were viewed as surplus to their military purpose. The area comprises more than 335 acres of land and more than 100 historic structures (NPS, 2008). As in the Presidio, most of the buildings are listed on the National Register of Historic Places and much of the land is environmentally sensitive. The NPS has an organizational mandate to preserve and protect both the natural and cultural features of the area.

Through a different set of circumstances, the NPS determined that the best way to redevelop Fort Baker would be to keep the lands under its control and instead seek a network of nonprofit, private sector, and government partners. A number of the buildings were rehabilitated to become the Bay Area Discovery Museum, a nonprofit children's museum, and some were conveyed to the U.S. Coast Guard. The remaining buildings were included in a package that went through a long public process to determine that a developer/operator firm would be needed to invest the \$100 million required to rehabilitate the site and create a hotel and conference center.

The Fort Baker Retreat Group was ultimately chosen, in return for their large capital investment, the group was awarded a 60-year ground lease on the property. This lease, unprecedented in NPS history, also provided the government a revenue-sharing arrangement in the hotel's operations. Further, the lease stipulated a role for a nonprofit environmental center as part of the arrangement, which ultimately was led by the Golden Gate National Parks Conservancy.

The project developed over a period of 10 years and opened in 2008 with 142 well-appointed rooms, a Michelin 2-star-rated restaurant, a spa, and numerous amenities. As of 2013, despite initial financial hurdles, the project has proven financially and programmatically successful.² The project received numerous nationally recognized awards for its restoration and

historical restoration. While more time will need to pass in order to judge the success of the project, early signs point to a very promising start.

A THEORY OF NEXUS WORK IN SOCIAL ENTREPRENEURSHIP

Our theory of nexus work in social entrepreneurship is built upon emerging research in organizational behavior. Nexus work typically is present in environments with many partners (often with competing needs) where none of the partners have direct control over success, yet coordination among the partners is critical for the success of the shared work. Typically, each partner brings specific networks to the project and often the networks are reorganized, recombined, and rebuilt to achieve successfully the goal of the partnership (Hargadon, 2003, 2011; Long Lingo & O'Mahony, 2008). Most of the extant literature on nexus environments focuses on work within one sector or within organizations with similar institutional logics. Particularly new in our study is a focus on constructing a theory about the cross-sector environments that are often typical for social entrepreneurs.

For the social entrepreneur, the cross-sector nexus environment is often actively cultivated. Typically, the social entrepreneur recognizes the inherent benefits of bringing in the best attributes of different sectors and combining them while leaving behind the less desirable characteristics. In organizational behavior literature, this process is called recombinant innovation, and it typically involves recombining the fluid networks of entrepreneurs into a new network that can sometimes lead to significant breakthroughs (Hargadon, 2003).

Managing competing institutional logics is one of the most formidable challenges facing social entrepreneurs in this environment. For example, government is typically characterized by logics of risk avoidance and a strict adherence to rules (Merton, 1940). Actors, particularly at the senior level, are typically operating in a political environment, and their work may have regular local, regional, and national political visibility and accountability. Private sector actors face a different set of logics with a focus on profit maximization and strong accountability to investors. The private sector entrepreneur is typically less dependent on a fixed set of rules and bureaucratic accountability. Finally, the nonprofit actor often shares attributes of the other sectors but typically has a strong accountability to donors and community-based organizations. Of course, individuals working within these institutions have their own logics, but the institution plays a strong role in shaping the motivations of the individuals (O'Reilly, Chatterman, & Caldwell, 1991). The effective social entrepreneur needs to bridge

the differing individual and institutional logics and construct a new set of relationships between actors.

Our theory of nexus work in social entrepreneurship focuses on five key dimensions which are particularly relevant to social entrepreneurs: recombinant innovation, developing new networks, building trust, managing shared work, and adaptation and evolution. These dimensions are not discrete; rather, they build upon one another.

Recombinant Innovation

It is widely known that organizational innovation is often a process of breaking down organizational forms and creating new ones (J. Schumpeter & Backhaus, 2003; J. A. Schumpeter, 1939). Typically, the recombination of the new forms involves the creation of new network connections between people to produce novel combinations. Called *recombinant innovation*, this approach recognizes that organizations utilize the past to create the future. This has been documented in innovative companies like Apple, Hewlett Packard, IDEO, and others. IDEO, arguably one of most innovative consultancy firms in existence, organizes itself to encourage recombination of existing ideas rather than to invent new ideas (Hargadon, 2003).

The same work of recombination is taking place at the Presidio and Cavallo Point. For example, the early ideas of how the Presidio could be restored and managed originated from the park's successful redevelopment of real estate assets in a different part of the park, Fort Mason in San Francisco (Hellmann, 2010). At Fort Mason, the park was faced with rehabilitating a network of derelict piers and warehouses. The park's superintendent at the time realized that the National Park Service would "study the buildings to death so he used this opportunity to innovate by creating a new model of public-private partnership" (Meyer & Delehanly, 2006, p. 234).

Fort Mason's transformation into a thriving business/nonprofit/cultural center at the previously dilapidated location created a precedent for subsequent work. The tactic has been innovated upon in different locations throughout the park, and vestiges of this early approach to partnership are clearly a part of the models at the Presidio and Cavallo Point. For example, the successful work at Fort Mason set the stage for the NPS to negotiate previously unheard-of long-term leases. While common in many industries, before the Fort Mason success, the NPS had primarily only given operators 10- or 20-year concession agreements. Because of the magnitude of the capital investment required, the NPS successfully changed federal law (Hellmann, 2010) to allow the organization running Fort Mason to recoup its financial investments. A nearly identical arrangement was crafted for the early Presidio real estate investments. These financial arrangements were

then replicated at Fort Baker and now at other sites. What was seen as new ideas were, in fact, reconstituted ideas from the past.

An important aspect of recombinant innovation is the ability to synthesize and incorporate competing logics within the network of actors (Chen & O'Mahony, 2006). For example, at Fort Baker, the idea of a luxury hotel came into conflict with the NPS's institutional logic of egalitarian access to all visitors. The hotel needed to charge high room rates in order to generate sufficient revenue for needed facility upgrades, yet the price of room rentals and perception of elitism were problematic for the NPS. Ultimately, the hotel developers and NPS reached a compromise solution whereby 10% of the hotel rooms were set aside at discounted rates for partner organizations of the NPS during the low tourist season. The work at Fort Baker shows a selective reconfiguration of practices rather than resistance or conformity, which is more commonly described in the literature (Chen & O'Mahony, 2006; Oliver, 1990). As part of the management of competing logics, the leaders chose to set up an innovative nonprofit program, the Institute at the Golden Gate (part of the Conservancy). The Institute would simultaneously hold low-cost events important to the NPS's mission and draw visibility and business to the site, which was important to the profit-maximizing logics of the private sector entrepreneurs. The Institute, in turn, has brought in many new innovative programs and ideas to the partnership.

Innovation resulting in the coexistence of competing logics may result in an important purpose in not allowing either logic to dominate, and a possible inversion of means and ends (Chen & O'Mahony, 2006). In the Cavallo Point example, this result may have proven particularly helpful in allowing the project to reach success. Because the NPS retained its core beliefs that the site remain affordable, accessible, and "park like," the site may have developed a unique brand, allowing it to differentiate itself from other luxury properties in the area. Hotel properties located on park land fared much better than non-park hotels during the recession of 2008–2011.

These examples show that an important role of the social entrepreneur is to help foster the recombination of ideas and the coexistence of competing ideas. This is no small task within a setting of the pressures of working at the nexus of sectors, but the results can prove remarkable.

Developing Networks

A key dimension of developing innovative interorganizational work is the development of diverse and effective networks. Entrepreneurs working at the intersection often come with vast networks that can become an incredible asset. These individual networks come with the individual and then typically become the organization's networks over time. Especially

important is the fact that the networks cover different arenas, hence adding strength to shared work and overcoming holes in the skill sets of the existing individuals and partners. Over time, these networks evolve and further change the work and capacity of the organizations of which they're a part.

For example, when the Presidio Trust was formed in 1997, it couldn't rely on the National Park Service for much of the requisite for-profit real estate and development functions since these weren't core NPS skills. By developing formal arrangements with leading real estate firms CB Richard Ellis and the John Stewart Company, the Trust covered some obvious weaknesses and built a successful real estate function that in 2011 brought in \$75.6 million, including notable tenants such as Lucas Digital Arts, which contributes nearly \$6 million in annual lease payments (National Academy of Public Administration, 2004).

Instead of engaging private-sector partners to develop its real estate functionality, the Presidio Trust could have tried to develop these same capabilities internally. While this might have been successful, it surely would have been much more challenging. The partnership with CB Richard Ellis and other real estate partners brought not only skills and expertise but also access to a network of other real estate partners, which proved invaluable in the Trust's work. While certainly many of the real estate functional operations are outsourced, the real estate function has been developed internally within the Trust. In effect, the Trust was able to capture the extant real estate expertise and networks of its partners and integrate them into their own and reform the combined network into an effective structure for the core work of the Trust. The Trust has developed real estate competence in a remarkably short time. For example, in 2011 the Trust negotiated an impressive "right of way" payment (\$35.8 million in FY 2011) from the California Department of Transportation for the multiyear replacement of the Doyle Drive transportation corridor (The Presidio Trust, 2011). This project—which the Trust had decried only a few years earlier as being detrimental to its financial health—had become one its most significant financial assets, mostly due to the Trust's increased real estate competence and negotiating acumen.

The choice of leadership for the Trust also showed an understanding of the importance of network building. For example, the Trust's second executive director, Craig Middleton, was critical to solidifying and expanding the early successes of the park. Having served as the press secretary to the high-profile Congresswoman Nancy Pelosi, Middleton brought to the job critical network connections in Washington, DC and with local constituents. These connections and history enabled Middleton to navigate the complexity of ensuring that the at-times-controversial activities of the Trust didn't derail the overall success of the project. Middleton also came with important history working with the Conservancy. Middleton's networks

helped broaden and reinforce the networks established by the Trust's first executive director and by its impressive board of directors.

At Cavallo Point, mutually reinforcing networks also proved valuable. For example, the developers and operators of the lodge had deep networks in the hospitality field and could utilize these networks to bring in investors. But given the sheer magnitude of the investment required, the developers needed to find investors who also valued the historic and natural preservation values of the project. These investors had a long history of philanthropic involvement in the park, and because of the park's involvement, they were willing to invest in a hotel project that wouldn't normally have been in their investment portfolio. Tom Sargent, the chief developer and founding principal of the project, brought with him immense networks in both real estate development and environmental causes from his prior work developing sites in environmentally sensitive areas. Sargent's history as a social entrepreneur and philanthropist brought him access to investors with an interest in environmental causes who would be willing to invest in the project for its social and environmental purposes as much as its potential financial rewards.

Another key function where the networks complemented one another was in the actual filling of the rooms of the Cavallo Point lodge. Early in the lodge's operations, occupancy was a significant concern. Although the lodge had substantial marketing and sales operations in place, in the early days before the facility was well-known, the internally generated business wasn't sufficient. Through its combined networks, the NPS and its partners generated over \$1.5 million in sales. The NPS can't actively sell on behalf of the private entity, but instead it set up a lease-negotiated arrangement whereby entities sharing a mission with the NPS receive a significant discount during off-season time periods. This meant that significant numbers of government and environmentally related organizations had the opportunity to use the lodge. In addition to the more than \$1.5 million in revenue this generated in the early years, it also had the important effect of raising visibility of the park and developing its networks proving helpful to the NPS' programmatic work.

Developing Organizational Trust

When speaking with the leaders and players involved in the two case studies, much of the conversation inevitably focused on trust. Although an operationally fuzzy term, this is seen by most as a key ingredient of success. Clearly, when trust erodes, the partnership and work begin to suffer. Much of the trust is developed at the individual level, and then this trust or lack of it becomes associated with the institution. Individual trust is

therefore critical because it helps keep the institutional relationships together, balancing the many institutional forces that pressure relationships to pull apart—competing institutional logics, divergent incentives of the institutions, power inequities, and the specific personalities of the people involved, and others. The NPS recognized that the perception of the people situation's trustworthiness is forged at the level of the individuals working within the partnerships. Former GCNRA Superintendent Brian O'Neill describes the park's approach:

Trust is an essential ingredient for successful partnerships and enables collaboration and contribution. Trust must be demonstrated and earned day by day. A single betrayal can be costly and make it hard to regain the same level of trust between the partners. Trust eroding behaviors include: independent action by one partner that has not been started with the other partner(s); grandstanding at the expense of another partner; not honoring one's word, commitment or confidentiality; creating suspicion in terms of one's motives; or acting in any way contrary to the best interests of the overall partnership. You build trust through the consistency and integrity of your actions over time. And you have to trust your partners in order to be trusted. (O'Neill, 2004, n.p.)

A component of developing trust in complicated interorganizational partnerships appears to be the presence of a boundary organization, which serves the purpose of helping bridge the divergent interests of organizational players (Guston, 1999, 2000; 2001; Miller, 2001; O'Mahony & Bechky, 2008). Sociologists have described the importance of these boundary organizations that "perform tasks that are useful to both sides and involve people from both communities in their work but play a disjunctive role that would be difficult or impossible for organizations in either community to play" (Guston, 2001, p. 403). Boundary organizations reinforce collaborative interests for the individuals involved and organize around these interests while allowing the actors to maintain their distinctive identities and institutional logics as well as divergent interests to coexist (O'Mahony & Bechky, 2008). Our hypothesis is that the boundary organization may play an important role in helping the individuals see their collective identity as part of a new, recombined effort.

In both the Presidio and the Cavallo cases, the most prominent boundary organization was the Golden Gate National Parks Conservancy (Conservancy)—previously known as the Golden Gate National Parks Association. The Conservancy is a nonprofit organization with a mission to preserve the Golden Gate National Parks, enhance the park visitor experience, and build a community dedicated to conserving the parks for the future. Since its inception it has worked closely with the NPS and later with the Presidio Trust. The Conservancy is regarded as one of the most successful in its peer

group of park support organizations, by 2013 having raised \$243 million to support the GGNRA (GGNPC, 2013). Greg Moore, executive director of the Conservancy, has deep ties with the NPS yet also has recruited an impressive board of directors consisting of CEOs and leaders from major national corporations and foundations. Moore's work in building the partnerships between government, business, and nonprofits effectively illustrates an important theoretical point about the importance of boundary organizational leaders—they introduce disconnected individuals or facilitate new coordination between previously connected individuals.

This importance of the Conservancy as a boundary organization showed itself at numerous times throughout the development of the institutions. For example, during the development of the Presidio, Congress considered selling off the real estate assets and privatizing the national park. The Conservancy actively intervened, creating a national body of civic leaders to lobby Congress to keep the Presidio within public ownership. To this day, Moore's role at the Conservancy has been to create a bridge for many of the partners with an interest in the successful operation of the Presidio. While one of the Conservancy's most successful functions is raising needed funds for the preservation of the Presidio, it serves a role behind the scenes convening leaders across the key partners and assisting them to maintain their focus on building the national park.

The Conservancy's role as a boundary organization also figured prominently in the development of Fort Baker and Cavallo Point. The size of the lodge and concerns about resulting traffic were a publicly contested part of the project and held up the development of the site for many years. To help resolve the many tensions between the community, the NPS, and the potential developers, the Conservancy set up a citizens group to regularly meet and discuss issues of concern to the community. This ultimately helped resolve the stalemate between the community and the NPS, thus allowing the project to move forward.

The Conservancy worked with Congress to secure appropriations for the project. Totalling more than \$25 million, these appropriations proved critical to the infrastructure improvements to prepare the site for the successful development that followed. Managing the necessary work of nearly constant contact with congressional staffers, funding and coordinating lobbying capacity, and hosting tours of the site all proved essential bridging functions. Further, once the project commenced operations, the Conservancy played an essential coordination role of hosting monthly meetings between the key partners of the project.

Coordinating the Shared Work

In order to accomplish the projects of the Presidio Trust and Cavallo Point lodge, traditional networks were utilized in innovative ways. The work of managing a cohesive initiative among numerous partners is never easy because the force of each system's logic is always pulling on the collective work. Recent research on nexus work shows that many have key elements in place to coordinate the shared work: a common agenda, shared measurement systems, mutually reinforcing activities, continuous communication, and backbone support organizations (Kania & Kramer, 2011).

The players described in our cases have created similar arrangements that keep the partnerships functioning optimally. For example, regular meetings of the key partners form the backbone of the collaborative work of the partners, essential to the functioning of the work. Typically, the meetings involve leaders at the same levels in the respective organizations, yet both organizations have instituted regular cross-level and cross-function meetings. The weekly coordination meetings are not all business, though. One senior Trust official characterized the relationship "as more like that of a family than a partnership" (National Academy, 2004, p. 14). Particularly important is the level of candor between the executive leaders of the initiatives. By meeting regularly, these leaders coordinate activities, dispel institutional rumors, and resolve interagency conflict.

One of the often-overlooked aspects of work at the nexus of sectors is the importance of negotiating rights and responsibilities of the various partners within the relationship. Also essential is the willingness of the entities working in the relationship to evolve traditional power roles.

Both of the cases discussed in this chapter have explicit and detailed written documentation that would be unnecessary for most social entrepreneurial endeavors. The Presidio was created by an act of Congress; the enabling legislation stipulated explicit roles for many of the key actors. Cavallo Point has a massive written lease spelling out all details of the arrangement. While the scale of documentation used by the partners in this venture is unnecessary for smaller ventures, the importance of written documentation was often mentioned by key leaders of the initiative. Many times throughout the early phases of the implementation of the project, key players referenced the lease or other partnership documents for role clarity.

More informal written documentation is used throughout the park's other projects, and the importance on negotiating a written set of rights and responsibilities is embedded in the culture of the GGRNA. Former GGNRA Superintendent O'Neill wrote:

Good intentions and a handshake are not enough. Partnerships need formal written agreements and work plans that define mutual interests and expecta-

tions, the roles and responsibilities of each partner, and clear accountability for the work to be performed. The formal agreement serves as a mutually binding contract to ensure that each partner acknowledges and fulfills their responsibility. Most people are overextended with work, and tasks can fall through the cracks. If a given partnership is important, provide structure for the partnership through a formal agreement and specific work plans that lay out what tasks need to be performed for each initiative, by whom, and when. In a busy world, clearly written intent, roles, process, schedules, and accountability procedures guide performance and follow through. If differences arise or performance lags, the formal written agreement provides a touchstone for accountability, revisiting intent and commitments, reconciliation, and getting back on track. (O'Neill, 2004, n.p.)

While this type of documentation and paperwork may seem like a hindrance to getting actual work accomplished, the investment will pay huge dividends in the future.

A final way that the GGRNA managed to develop effective shared work with partners is by creating a culture where employees and managers are encouraged to let go of individual power and ego. In the words of former Superintendent O'Neill:

The most insidious impediment to good partnerships is the unwillingness or inability of a partner to share power and control. This can be the "Achilles heel" of partnerships. At their very basic definition, partnerships are about shared power, shared vision, and shared responsibility. While one entity may possess a superior position, larger budget, more staff, etc. in a relationship, the execution of the work and credit for accomplishments should not reflect this. This is not about a landlord-tenant relationship. This is about two or more entities working in unity to accomplish important work. A "boss-serve" mentality will lead only to frustration and unfulfilled promise. Partnerships are about "we" not "I." They are about creating an equality of importance—an environment where individual personal egos are subservient to the interests of the whole.

This being said, it is important to help your organization understand that partnering does not mean giving up control or influence, nor does it mean that organizations give up their autonomy. Good partnerships represent a delicate balance between maintaining one's own identity and adding value to a collective effort. (O'Neill, 2004, n.p.)

Adaption and Evolution

Many of the four dimensions of nexus work discussed thus far lead to the importance of the final dimension—adaptation and evolution. Typically, when working with one sector, with congruent organizational logics, the

ability to adapt and evolve is relatively straightforward and widely recognized. However, cross-sector entrepreneurial ventures often are fraught with challenging power dynamics because of the power inequality—the governmental actor typically maintains the bulk of the power in the relationship.

In cross-sector work, the competing logics and struggle over individual and organizational power within the partnership can prove fatal to organizational evolution. The leaders of the initiatives described realized this and paid due attention to power issues. For example, one of the co-founders of the park commented, "I was concerned about the Conservancy during its early years. The NPS's administrators cramped its ambitions... [A]ll of its directors had the expertise and ability to do more than the NPS would allow" (Meyer & Delehanty, 2006, p. 240). Ultimately, the NPS gave the Conservancy more power and authority, and the "organization moved out of the traditional relationship with the NPS... to a more complete array of nonprofit support skills including philanthropy and volunteerism" (Meyer & Delehanty, 2006, p. 240).

Power issues were certainly at the heart of the discussion during the formation of the Presidio Trust. Knowing that governmental entities typically hold on to power, many were concerned that the Presidio Trust would not be successful if encumbered by many of the traditional constraints of the logical overseeing agencies within the government. To resolve this problem, in setting up the Presidio Trust, Congress freed the Trust from many of the traditional constraints that apply to a governmental agency. Most dramatically, the Trust was established in such a way that its activities and executive staff are overseen by a board of directors appointed by the President of the United States. This placed the organization outside of the control of many of the traditional park and natural resource bureaucracies and quite close to the executive power structure of the country.

It is difficult to determine the exact extent to which the modification of traditional power and control structures had on the success of the partners, but clearly it was a necessary part of the discussion, and the leaders working within the partnerships often cite it as one of the top reasons for their success. Ultimately, the evolution of traditional power relationships likely created an environment fostering innovation in the organizational relationships.

This evolution can be seen in the many new organizations that have sprung out of the partnerships described, nearly unheard of in other national park settings. For example, within the GGRNA, nearly 150 organizational partnerships exist. These organizational partnerships range from artistic partnerships to scientific and research entities. The Presidio Trust also provides a home to 225 companies and nonprofit organizations; over 3,000 people work in the Presidio and another 3,000 live in residences in the park in over 1,200 housing units in 21 distinct neighborhoods (Presidio Trust, 2012a). In 2012,

the Trust even launched a new “think tank” organization, the National Center for Service and Innovative Leadership (Perry, 2012). This new organization has ambitions to “offer programs in leadership development, research, and convening to help purpose-driven leaders achieve greater impact in their communities” (Presidio Trust, 2012b, n.p.). While the success of this institution remains unproven, the idea is noteworthy—an innovative cross-sector model has created a new organization that is helping to provide research and training to generate more innovation.

CONCLUSION

In this chapter we examined two large-scale initiatives to explicate an emerging theory of nexus work in social entrepreneurship. We believe that these approaches are important to many shared initiatives but are likely even more important to social entrepreneurial endeavors, because the financial and organizational stakes can be so high. The effective social entrepreneur needs to bridge the differing individual and institutional logics and construct a new set of relationships between actors. The theory of nexus work in social entrepreneurship focuses on five key dimensions of nexus work that are particularly relevant to social entrepreneurs: developing organizational innovation, developing new networks, building trust, managing shared work, and adaptation and evolution. These dimensions are not discrete. Rather, they depend upon and build upon one another.

As is true for any study, often more questions are raised than are answered. In future research, we hope to deepen and broaden the analysis explored in this chapter. An interesting question to explore is whether these examples are a simply a subset of the public-private partnership domain or whether there are truly unique dynamics taking place when entrepreneurship is taking place at the intersection of sectors. The authors would also like to spend more time documenting and researching the struggles of the partnerships described in hopes of sharing the lessons learned with a wider audience. Finally, as the partnerships described continue to grow and evolve, more research into the continued development would prove fruitful.

NOTES

1. While our hope is that the case studies presented will prove transferable to other situations, we recognize that presenting two successful efforts paints an incomplete picture of nexus work in social entrepreneurship. This is an inherent weakness in the study of innovation and entrepreneurship, where failure is often premature, stigmatized, and subject to interpretation.

- Social Entrepreneurship at the Nexus ■ 83
2. As a result of the recession of 2008, regional hotel nightly rates dropped by as much as 40%.

REFERENCES

- Austin, J., Stevenson, H., & Wei-Skillern, J. (2006). Social and commercial entrepreneurship: Same, different, or both? *Entrepreneurship Theory and Practice*, 30(1), 1-22.
- Chen, K. K., & O'Mahony, S. (2006, August). The selective synthesis of competing logics. *Academy of Management Proceedings*, 2006(1). Academy of Management.
- Canz, S. (2012, January 15). Presidio Trust strives for self-sufficiency amid funding cuts. *San Francisco Examiner*. Retrieved from <http://www.sfgate.com/local/development/2012/01/presidio-trust-strives-self-sufficiency-amid-funding-cuts>
- Golden Gate National Parks Conservancy. (2013). Accomplishments and awards. Retrieved from <http://www.parksconservancy.org/about/accomplishments.html>
- Guston, D. H. (1999). Stabilizing the boundary between US politics and science: The role of the office of technology transfer as a boundary organization. *Social Studies of Science*, 29, 87-111.
- Guston, D. H. (2000). *Between politics and science: Assuring the integrity and productivity of research*. Cambridge, UK: Cambridge University Press.
- Guston, D. H. (2001). Boundary organizations in environmental policy and science: An introduction. *Science, Technology and Human Values*, 26, 399-408.
- Hargadon, A. (2003). *How breakthroughs happen: The surprising truth about how companies innovate*. Cambridge, MA: Harvard Business Press Review.
- Hargadon, A. (2011). *Business of innovating: Bringing low-carbon solutions to market*. Washington, DC: Pew Center on Global Climate Change.
- Hellmann, D. J. (2010). The path of the Presidio Trust legislation. *Golden Gate University Law Review*, 28(3), 319-367.
- Kania, J., & Kramer, M. (2011). Collective impact. *Stanford Social Innovation Review*, 1(9), 36-41.
- Long Lingo, E., & O'Mahony, S. (2008, January 8). *Nexus work: Managing ambiguity in network based projects*. Research Paper, UC-Davis Graduate School of Management.
- Merton, R. K. (1940). Bureaucratic structure and personality. *Social Forces*, 18(4), 560-568.
- Meyer, A., & Delehan, R. (2006). *New guardians for the Golden Gate: How America got a great national park*. Los Angeles, CA: University of California Press.
- Miller, C. (2001). Hybrid management: Boundary organizations, science policy, and environmental governance in the climate regimes. *Science, Technology and Human Values*, 26, 478-500.
- National Academy of Public Administration. (2004). *The Presidio Trust: Developing a national park while attaining self-sufficiency*. Washington, DC: Author.
- National Park Service. (2008). *Fort Baker Visitor Pamphlet*. San Francisco, CA: Author.

- Notle, C. (2013, February 10). Presidio bridges gap to be self-sufficient. *SFGate*. Retrieved from <http://www.sfgate.com/bayarea/article/Presidio-bridges-gap-to-be-self-sufficient-4266156.php#sr=1b>
- Oliver, C. (1990). Determinants of interorganizational relationships: Integration and future directions. *The Academy of Management Review*, 15(2), 241–265.
- O'Mahony, S., & Bechky, B. A. (2008). Boundary organizations: Enabling collaboration among unexpected allies. *Administrative Science Quarterly*, 53, 422–459.
- O'Neill, B. (2004). Brian O'Neill's 21 partnership success factors. Retrieved from <http://www.nps.gov/partnerships/oneill.htm>
- O'Reilly, C. A., Chaitman, J., & Caldwell, D. F. (1991). People and organizational culture: A profile comparison approach to assessing person-organization fit. *Academy of Management Journal*, 34(3), 487–516.
- Perry, S. (2012). New training center created for volunteerism leaders. *The Chronicle of Philanthropy*. Retrieved from <http://www.philanthropy.com/article/Military-Base-Becomes-Center/134834/>
- Presidio Trust. (2011). *Landscapes of the Presidio: The Presidio Trust Year-End Report 2011* (No. 11, p. 42). Retrieved from <http://www.presidio.gov/about/Administrative%20Documents/EXD-700-FY2011AnnRpt.pdf>
- Presidio Trust. (2012a). Frequently asked questions. Retrieved on March 2, 2013 from <http://www.presidio.gov/about/Pages/frequently-asked-questions.aspx>
- Presidio Trust. (2012b). National Center for Service and Innovative Leadership. Retrieved from <http://www.presidio.gov/explore/Pages/fort-scott-national-center-for-service-and-innovative-leadership.aspx>
- Schumpeter, J. A. (1939). *Business cycles*. Cambridge, UK: Cambridge Univ Press.
- Schumpeter, J., & Backhaus, U. (2003). The theory of economic development. *The European Heritage in Economics and the Social Sciences*, 1, 61–116.
- Sundin, E., & Tillmar, M. (2010). The intertwining of social, commercial and public entrepreneurship. In A. Fayolle, & H. Malloy (Eds.), *Handbook of research on social entrepreneurship* (p. 142). Cheltenham, UK: Edward Elgar Publishing.
- Weis-Skillein, J. C., Austin, J. E., Leonard, H. B., & Stevenson, H. H. (2007). *Entrepreneurship in the social sector*. Thousand Oaks, CA: Sage.

CHAPTER 5

CULTURAL PERSPECTIVE ON SOCIAL ENTREPRENEURSHIP

A Case Study of Facebook Usage by a Community-Based Cancer Treatment Center in Rural Thailand

Suwichit (Sean) Chaidaroon and Angela Ka Ying Mak

INTRODUCTION

Social entrepreneurship has rapidly emerged and gained the attention of both researchers and practitioners as a response to pressing societal needs. Social entrepreneurs aim to efficiently cater to “human needs that existing markets and institutions have failed to satisfy” (Seelos & Mair, 2005, p. 241). Organizations with socially entrepreneurial stances can be characterized by their social mission, their drive for sustainability, and their responses to environmental dynamism (Weerawardena & Mori, 2006). To date, most literature on social entrepreneurship has provided insights into the successful characteristics of social entrepreneurs (Wood, 2012) and effective business models to run the socially entrepreneurial organizations effectively (Smith, Cronley, & Barr, 2012).