



Teaching how to fish: strategic practices in an entrepreneurial non-profit organization

Ensinando a pescar: práticas estratégicas em uma organização empreendedora sem fins lucrativos

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Abstract

The aim of this study is to analyze the strategic practices developed by a Brazilian nonprofit organization, which focuses on the promotion of social entrepreneurship at the bottom of the pyramid. The major goal of the study is to focus on the strategies of its project managers. The study is based on the concepts of Salamon (2003) and Moore (2000) and the role played by the nonprofit organization in the same manner that entrenches the theories of complex adaptive systems and the loosely coupled systems. It has also highlighted the use of strategy-as-practice as a theoretical basis to better understand the social actions. It is a case study of a qualitative nature. Data were collected from analysis of documents, non-participant observation and interviews. Data analysis revealed that project managers played a critical role as strategists. In their social practices they combine experience, sensemaking, interactions, decision making and knowledge together with neutrality and autonomy for action. The results revealed that the number of micro-entrepreneurs who benefited from the projects has grown significantly during the period of the study. Likewise, the income of these micro-entrepreneurs and that of their families has displayed a steady increase. The conclusion indicates that strategic practices carried out by project managers have brought social value to

micro-entrepreneurs and contributed significantly to the achievement of the organization's goals.

Keywords: *Social Entrepreneurship. Nonprofit organization. Strategy as practices. Project Managers.*

Resumo

O objetivo deste estudo é analisar as práticas estratégicas desenvolvidas por uma organização sem fins lucrativos brasileira que visa a promoção do empreendedorismo na base da pirâmide. O foco principal do estudo foram as estratégias de seus gerentes de projeto. O estudo baseou-se nos conceitos de Salamon (2003) e Moore (2000) sobre o papel desempenhado por organizações sem fins lucrativos, assim como na teoria dos Sistemas Adaptativos Complexos e Sistemas Frouxamente Articulados. Também foi utilizada a abordagem da estratégia como prática como base teórica para melhor compreender as ações sociais. Trata-se de um estudo de caso de natureza qualitativa. Dados foram coletados a partir de documentos, observação não participante e entrevistas. A análise dos dados revelou que os gerentes de projeto assumem um papel fundamental como estrategistas. Suas práticas sociais combinam experiência, sensemaking, interações, tomada de decisão e conhecimento assim como neutralidade e autonomia de ação. Os resultados revelaram que o número de micro-empresendedores que se beneficiaram dos projetos cresceu significativamente no período do estudo. Da mesma forma, a renda desses micro-empresendedores e de suas famílias apresentou aumento constante. A conclusão indica que as práticas estratégicas realizadas pelos gerentes de projetos agregaram valor social aos micro-empresendedores e contribuíram significativamente para o alcance dos objetivos da organização.

Palavras-chave: Empreendedorismo social. Organização sem fins lucrativos. Estratégia como prática. Gestão de projetos.

Introduction

The contribution and relevance of nonprofits nowadays are on the rise and are widely recognized by society. The expansion of the third sector reflects a growing significance that nonprofits are rising, especially in dealing with social problems. By pursuing a social mission to serve the needs of a particular community that are not served either by the for-profit sector or by government agencies, nonprofits are becoming quite an important sector for the functioning of society.

According to Jackson (2009), in the last ten years nonprofit organizations have grown by approximately 50% in the United States, rising from a million to more than 1.5 million organizations. Similar expansion has been witnessed in Brazil and other emerging powers where voluntary and nonprofit action has blossomed and proliferated (JACKSON, 2009). If the expansion of nonprofits is a response to the growing needs and expectations of stakeholders it is bringing new demands to managing this kind of organization. Challenges coming from external and competitive environments have been pushing nonprofits to the adoption of entrepreneurial practices. Raising funds to support operations and achieve sustainability as a condition for the fulfillment of their social mission have been a challenge to nonprofits. Thus, nonprofits have been pushed to find adequate strategies to improve their performance, with the purpose of adding social value, achieving their *raison d'être* and, therefore, making a distinct contribution to the sustainability of the organization.

Studies focusing on nonprofits as missionary organizations linking managerial practices, social value and measurement performance have been increasing in the related literature. Recently, management of non-governmental organizations (NGOs) has received more attention from researchers (BRYSON, 1995; OSTER, 1995; MOORE, 2000; WEERAWARDENA; McDONALD; MORT, 2009). As Moore (2000) has pointed out, nonprofits are different from for-profit organizations that are guided by financial

performance in that they pursue social value represented in terms of mission, goals and actions. Behind their intentions lies an assumption that there is a public value to be created “...above and beyond the willingness of clients to pay for the services” (MOORE, 2000, p. 199).

The purpose of this study is to analyze the practices adopted by one large Brazilian, nonprofit organization whose mission is to support and foster entrepreneurship at the bottom of the pyramid. This study aims to identify which strategic practices are adopted by project managers and contribute to the effectiveness of the organization's projects. More specifically, we seek to answer two questions: 1) What are the macro-strategies practiced by the project managers as project managers? and, 2) What are the micro-strategies practiced by the project managers as project facilitators? Thus, special attention is paid to the roles played by project managers in charge of managing a diversified number of social projects.

Nonprofit Organizations and their Characteristics

The existence of nonprofit organizations is justified by the change in individuals and in society that they bring about (DRUCKER, 1990). The broad picture of today's society reveals that there is a set of particular community needs that are not or cannot be met either by for profit or governmental organizations. Thus, it falls to nonprofits to bridge this gap by rendering a variety of services to the community. The uniqueness of nonprofits is the private nature of services and the public purpose of their activities.

Usually a relevant social mission guides this kind of organization and a set of strategic actions that transforms good intentions into reality. One of the special features of nonprofits is their performance or, more specifically, how to measure it. After analyzing this matter, Drucker (1990) proposed the “ultimate question” that should be asked by people in nonprofit organizations: “What should the institution hold itself accountable for by way of contribution and results?” (DRUCKER, 1990, p. 142). According to the same author, it is not enough to have good intentions; it is also necessary to have good results.

Despite the fact that the nonprofit sector is growing in importance today, it is still one of the least understood sectors in society (SALAMON, 2003). Some reasons for this lack of a better understanding of nonprofits is the huge diversification of organizations that are functioning within this sector. Another factor related to the difficulty of understanding the special features of the sector is the lack of empirical studies on the nonprofit sector. This is the case of countries like Brazil, where the nonprofit sector has been undergoing significant expansion and its relevance is beginning to be recognized by society.

Traditionally, it is common practice to adopt rational models of management from the for profit sector to other sectors like government and nonprofits. Quite often traditional managerial approaches that stem from the management of the for-profit sector have been applied to nonprofits. This is a phenomenon called managerialism, meaning the transfer of managerial approaches used in for-profits to nonprofits without adaptation to the unique characteristics of nonprofit organizations.

However in this kind of organization, the profit cannot be distributed among its leaders. Moore (2000) complements this feature indicating that having its vision based

on the mission, the main results are measured by the value generated by the transformation of their work. Fischer (2002) underlines this point of view by stressing that nonprofit organizations are characterized by autonomy to operate and usually having the contribution of volunteer work. By examining this particular feature Drucker (1990) noted that management of voluntary work is the unique characteristic of nonprofit organizations that would not be found in either for-profit or public sectors. There are unpaid staff that make a significant contribution by providing savings for the operational budget by doing jobs that would otherwise be carried out by paid staff.

Salamon (2003) identifies the major roles of nonprofit organizations such as: the Service Role, Advocacy Role, Expressive Role, Community-building Role and the Value Guardian Role. The Service Role refers to nonprofits as service providers that render services in a variety of areas such as health, higher education, cultural entertainment, employment and training, low-income housing and community development. The Advocacy Role deals with the identification of unaddressed problems, bringing to public attention issues related to social, political, environmental and ethnic matters, among others. On the other hand, the Expressive Role is related to using nonprofits for other issues that go beyond political, social and economic matters as a vehicle for expressing a variety of sentiments and manifestations in areas like the arts, religion, cultural, ethic, social and recreational matters.

The Community-Building Role refers to the building of social capital by focusing on trust and reciprocity, based on connections among individuals and institutions seeking cooperation to carry out important tasks in political, economic and social life. Finally, the Guardian Role involves the nurturing and sustaining of society's values focusing on individual initiatives that strengthen public well-being (SALAMON, 2003). Acting in areas such as religion, education, health services, housing, civilian and social matters, the arts and culture, nonprofits are performing activities that are significant to the functioning of the community. What is needed, as stressed by Jackson (2009), is a functioning society that is well managed, well led and accountable in each of its sectors: public, private and philanthropic.

Management is usually thought of by all kinds of organizations as a rational and predictable system that is subjected to the use of universal managerial tools. The complexity theories have emerged to enable the analysis of the complex interactions of living organisms for which actions and reactions are uncertain and, most of the time, unpredictable. Thus, nonprofit organizations can also be seen as complex systems. The drive for flexibility and agility of action encourages autonomy and freedom for the members of these organizations, creating systems free from the rigid conformity to formal rules that are commonplace in for-profit and public organizations.

Concepts such as "complex systems" (STACEY, 2000) and "loosely coupled" (WEICK, 1976; WEICK; ORTON, 1990) can be quite helpful in that they contribute to a better understanding of the complex nature of nonprofit organizations. The agents in charge of the execution of projects share common elements and have high action autonomy. These professionals are capable of noticing the different realities and adapting the managerial approaches required by the organization. In their practices, these agents combine elements such as experience, tacit knowledge, interpretation, interactions and insights for the execution of the adequate strategies in order to achieve project feasibility (MINTZBERG, 1994; WHITTINGTON, 1996; JARZABKOWSKI, 2003).

Nonprofit organizations can also be seen as professional organizations. This is particularly the case of nonprofits whose services are rendered under the responsibility of highly qualified professionals. Mintzberg (1994) stresses that universities, hospitals and engineering firms are examples of this kind of organization because they are driven by complex operating work. At the same time, complex nonprofit organizations are seen as loosely coupled in their “core business”. The autonomy enjoyed by professionals in this kind of system creates subsystems that share only a few elements like general goals or resources and some communication while retaining individuality and autonomy to perform their activities. The loosely coupled system usually increases costs and also hinders the traditional control that is typical of organizations with rigid bureaucratic structures producing tangible products and services.

Entrepreneurship as a social development tool

The concept of entrepreneurship is not new but is gaining in popularity and has received growing attention in recent years. According to Dees (2001), the roots of the term lie in French economics in the 17th and 18th centuries, particularly the contribution of Jean Baptiste Say, to whom an entrepreneur is someone who creates value by shifting economic resources from low productivity areas to high productivity and greater yield. Another concept is based on Joseph Schumpeter’s idea that entrepreneurs are innovators responsible for the “creative destructive process of capitalism” (DEES, 2001, p. 1).

Entrepreneurship is considered the process of construction and development of ideas by transforming these ideas into business opportunities. On the other hand, the characteristics that make up the profile of an entrepreneur involve the ability of being creative and innovative, to seek new market opportunities and transform their environment. This ability that individuals have to innovate, based on motivation and leadership, and especially prone to risk, is commonly found in managers of new organizations (LISCHERON; CUNNINGHAM, 1991).

The concept of entrepreneurship is divided into many categories. Among them, and an important tool within the third sector, is social entrepreneurship. Social entrepreneurship is regarded as organizations that work towards the transformation of social reality (DEES, 2004; MASSETTI, 2008). This kind of organization is typically a nonprofit created by entrepreneurs whose purpose is to create projects that bring about benefits of development and growth in low-income populations, contributing to the solution of social problems.

Social Entrepreneurs are quite different from business entrepreneurs. As Dees (2001) has stressed, social entrepreneurs have a social mission that is explicit and central to their activities. Mort, Weerawardena and Carnegie (2003) argue that a social entrepreneurial organization displays a range of virtues that goes beyond integrity, empathy and honesty. It also includes a belief in the inbuilt capacity of people to contribute to social and economic development along with a passion to make that happen, seeking innovative solutions to a particular social problem (2003, p. 78). Therefore,

social entrepreneurs are creating social value for their beneficiaries or users of their services.

Another way of working out entrepreneurship is promoting its characteristics for low income individuals. This contribution is based on the proposal of the "Bottom of the Pyramid" (PRAHALAD, 2005) that focuses on economic and social development by creating market opportunities and consumption for low-income and minority businesses. It also relies on the concept proposed by Shuman (2000) emphasizing the creation of business for the same social segment.

Promoting activities at the bottom of the pyramid is, for some authors, one of the best ways to promote economy. Investments made for low-income individuals apparently does not make sense because they do not have a large enough share in the consumer market. For Prahalad and Hammond (2002), not being interested in the social and economic inclusion of this public would be a waste. According to London and Hart (2004, p. 351), "it has been estimated that the informal sector includes more than \$9 trillion in hidden (or unregistered) assets...".

By stressing the importance of local solutions and local entrepreneurship, the promotion of entrepreneurship at the bottom of the pyramid encompasses provisions for low income classes in such a way that they become part of the world market. These conditions allow them to create their own business and generate their own income by being integrated into the market as producers and as consumers.

Strategic Social Practices

Nonprofit organizations, like other social organizations, are interdependent of their external environments. Thus, one line of reasoning stresses that strategy in nonprofits works similarly to that of for-profit organizations – making the usual adaptations and required changes to adjust to a new context. The managers are responsible for identifying opportunities and threats in the environment and review internal resources, make decisions and act in ways to compete and improve performance. Drucker (1990, p. 59) adds another view by emphasizing strategy as actions "... that convert what you want to do into accomplishment."

Moore (2000), on the other hand, stresses that strategy in nonprofit organizations have a distinct role. The author suggests that strategy models developed in the business sector are not suitable frameworks for nonprofit organizations. An important feature of nonprofits for Moore (2000) is the value produced or delivered by nonprofits. Along the same line, Oster (1995) endorses this position by stressing the achievement of social purpose and donor desires and satisfaction as special features of nonprofits.

The predominant strategic approach in the literature underlines the importance of rational approaches designed and applied in for-profit organizations to contribute to making decisions and coping with environmental challenges enabling them to compete better and gain competitive advantage toward a desired future (ANSOFF, 1965; CHANDLER, 1977).

In more recent years a new approach called “strategy as practice” (S-A-P) has emerged, shifting the focus of strategy away from the rational view predominant in management literature (WHITTINGTON, 1996; JOHNSON et al., 2007; JARZABKOWSKI, 2003). This new approach focuses on the practices of strategists within the organizational context. In this new approach, strategy is perceived not only as something that organizations have but also as something that people do within organizations (WHITTINGTON, 2006; JARZABKOWSKI, 2004).

Based on this concept, strategy is something that is socially-constructed and “reflects and is constituted by its members’ ideology, by identities, beliefs in opportunities and threats, internal and external key references that guide the formulation and solution of problems” (PORAC; THOMAS, 2006, p. 173) therefore, highlighting the importance of sense-making in the strategic process. According to Weick and Roberts (1993), understanding the sense-making of groups inevitably involves understanding their activities in terms of “what” people do and “how” they interact. Therefore, people are the main agents of the strategic process because of their strategic thinking, their capacity for interpreting reality both inside and outside the organization and the need to interact and cooperate – all of which influence their capacity to create, a natural practice for members of complex systems.

One of the key issues in strategy-as-practice research is to understand people and their behaviour in doing strategy (strategizing) in intra and extra-organizational instances. Under this perspective, as Whittington (2006) has stressed, the central concern is over “strategic practitioners, strategic practices and strategic praxis” and micro-strategies (JARZABKOWSKI, 2003; JOHNSON et al., 2007).

Accordingly, ‘practices’ refer to shared routines of behavior, including traditions, norms and procedures for thinking, acting and using ‘things’, the latter in the broadest sense. Therefore, practices are procedures, methods or skillful techniques appropriately performed by social agents. By contrast, ‘praxis’ refers to activity that people do in practice. Reckwitz (2002, p. 9) proposes that praxis “is both an embedded concept that may be operationalized at different levels from the institutional to the micro, and also dynamic, shifting fluidly through the interactions between levels”.

Practitioners are strategy actors, actually they are strategists who both perform this activity and carry out its practices and are seen as a critical connection between intra-organizational praxis and extra-organizational practices (WHITTINGTON, 2006). Practitioners have a fundamental and active role; they are those who have the opportunity to change the “ingredients” from their praxis, through the reflection gained through experience by exploring multiple channels. They are capable of adapting existing practices, adding new practices and introducing new practitioners and practices, jointly (JARZABKOWSKI; SPEE, 2009).

The focus on micro-strategy is the attempt to bring to the surface and value the work of agents at various levels and in various units throughout the organization. Strategic activity is activity related or unrelated to the formal intended strategy, that affects “the strategic outcomes, directions, survival and competitive advantage” (JARZABKOWSKI; BALOGUN; SEIDL, 2007) of the organization. In this context, micro strategies depend on an organizational agent’s capacity to provide meaning and impose meaning based on the context where the strategy is being carried out. Based on this approach, strategic practices are done either formally or informally by agents within the organi-

zation who are thinking, acting, and making sense of what they do. The four concepts have intrinsic relationships among themselves in strategy. There can be a wide variety of tools and practices in the strategic process and they can vary greatly from one organization to another.

Understanding how strategizing occurs in pluralistic or complex environments has been a major concern to strategy-as-practice theorists. Unlike traditional business organizations, the unique characteristics of nonprofit organizations have implications for the formation of strategy in this kind of setting. Nonprofit organizations are known for the qualitative nature of their services and are also known for being driven by social values and having their performance measured by social added value.

Referring to the public sector, professional services and regulated industries, Jarzabkowski and Felton (2006) identified different aspects of strategizing. Analyzing the strategies in hospitals, Meyer Jr. and Pascucci (2009), concluded that mainly middle managers—not top managers – are in charge of key (corporate) strategic practices. There is still much to learn about how strategies and practices are developed in non-profit organizations.

Research Method

The following methodological procedures, data analysis and discussion provide details of the research method and the responses to the two research questions that guide this study: 1) What are the macro-strategies practiced by project managers as project managers? and, 2) What are the micro-strategies practiced by project managers as facilitators?

This is a qualitative case study (YIN, 1987). The study was conducted at an association called Aliança Empreendedora located in Curitiba, Parana. The criteria that guided the selection of this case are its social characteristics, nonprofit and the focus of its work in promoting entrepreneurship at the bottom of the pyramid.

The researchers gathered data from November, 2009, to February, 2010 from three main sources: interviews, participant and non-participant observation and documents. The questionnaire included standardized and open-ended questions for the purpose of identifying the strategic practices (macro and micro-strategies) of the project managers as project executors and facilitators and how they contribute to the effectiveness of the organization's projects. Special attention is paid to the roles played by project managers in charge of managing a wide range of social projects. Ten managers were interviewed, including the general director, the project director and seven project managers. The questionnaires was previously tested and validated by managers of another organization.

The interviews were recorded and transcribed, with the transcripts totaling over 240 pages. To complement these transcripts, the researchers kept notes on the condition of non-participant observers, and records from the field diary were also used. On the whole, the material transcribed for analysis numbered more than 290 pages. Reports of activities, leaflets, information gathered from the websites of the organization and documents supplied by the interviewees were included in the analysis.

The data were analyzed using content analysis techniques. The specific technique used was categorical analysis – analyzing content by themes. In addition to

"presence" and "frequency" as rules or criteria for analysis, "intensity" was also used, more specifically in its contextual meaning, according to Bardin (1977). The variety of methods used for gathering data provided the opportunity to use the triangulation approach in order to assure the validity of the information obtained.

Profile of the Organization

Aliança Empreendedora is a social organization that works for the development and support of low income entrepreneurs following a strategy of inclusion along with social and economic development. The organization operates in offices in three Brazilian States and also in collaboration with allied organizations in five other States. Unlike other organizations, there are three key aspects to the proposition of Aliança for the creation of new businesses: access to knowledge of management, access to productive and focused micro-credit, and access to the market.

Table 1 – Characteristics of the organization

Characteristic	Aliança Empreendedora
Foundation	2005
Coverage	Eight States in Brazil
Focus	Social Entrepreneurship
Employees	56
Beneficiaries (until 2010)	1,700

Source: Aliança Empreendedora Annual Report, 2009.

The organization has 56 employees, both staff and trainees, who are divided into different areas and mostly perform field activities. The group is supervised by an Executive Management Unit, represented by five employees who aim to guide the team and its projects aligned with the mission, goals and strategies of the organization. Aliança is structured by projects that have goals and targets related to each other and that are complementary favoring synergy.

The organization's activities are structured into projects, with teams of project managers who work directly for the benefiting groups. It is the initiatives of the agents, developed in everyday activities among entrepreneurs, that serve as the guiding force behind decisions, guidelines and delivery of projects.

Project managers act at the macro and micro levels. At the macro level, they are executors of projects and responsible for implementing a basic guiding methodology, reporting the results to the administration and responsible for interacting with other organizations in search of partners and channels to sell the products developed by the benefited groups. At the micro level, the project managers act as facilitators, working closely with the beneficiaries, adjusting their methodology to the particular needs of each group. In this role, the agents also disseminate knowledge and provide conditions for the businesses that are established to enjoy continuity and sustainability.

Table 2 – Project managers and their activities

Type	Activities
Macro level (formulation)	Reports
	Partnerships
	Performance indicators
	Meetings with partners
	Project formulation
	Establishment of goals
Micro level (implementation)	Identification of potential partners
	Field work
	Management development program
	Needs assessment

Source: Authors, 2013.

Following the working model adopted by Aliança, its agents "observe through the eyes of others" and the language adopted is adapted to the issues that are of concern of the entrepreneurs at the bottom of the pyramid, which is the fundamental characteristic for the success of the ventures. The practices adopted by the organization are based on the principles of Andragogy, proposed by Malcolm Knowles (1970) for adult education, as well as the principles and methods coined by Paulo Freire (2007) for literacy projects in Brazil and abroad.

Alliança Empreendedora operates through a system that promotes entrepreneurial inclusion for micro-entrepreneurs. Aliança, working with entrepreneurs of the bottom of the pyramid, has identified that the main barriers and difficulties faced by low-income individuals or groups (whether in urban or rural areas) are the lack of information and knowledge, lack of credit or investment to start and improve their enterprises and lack of commercialization channels for their products and services.

Their experience shows that by themselves neither credit nor fair trade can reverse poverty. Aliança Empreendedora's methodology enables inclusion and full support for micro entrepreneurs, strengthening social capital and providing access to knowledge, credit and commercialization. With this support, these people are better prepared to overcome the barriers that hinder their businesses.

The strategies carried out by the organization allow the beneficiaries to have access to knowledge, microcredit and commercialization through a network of Social Business and the use of different methodologies developed specifically for low income micro-entrepreneurs.

Data Analysis

Data analysis reveals that adopted practices in projects that promote entrepreneurship at the bottom of the pyramid reinforce the understanding that project managers perform a key role in the development of people, creation of mechanisms (macro and micro strategies) required for the success of their projects.

In the case focus analysis, it became quite clear that the choice of different praxis and practices is the result of careful analysis and interpretation that agents make of the contexts in which where they operate and the realities faced by the beneficiaries.

Agents' decisions about what to do and how to do it guide the adjustments to the model adopted by the nonprofit organization and the strategies adopted by each group.

Macro strategies practiced

At the macro level, the practices that fostered continuous interaction among agents and the exchange of experiences that result in constant adjustments to the standard material of Aliança were identified. Meetings, conversations, exchange experiences and joint written reports are practices adopted by the CEOs, directors and project managers that are identified as strategic because they make a positive impact on the improvement of the methodology and implementation of projects. One project manager noted that "the interaction and exchange of experience between actors is fundamental" and added that "it would be very easy to try to do everything myself, but you have the risk of leading the group down a wrong path."

The capacity for interaction between entrepreneurs and the community was also identified, not only by agents but also by the organization, which has been critical to the dissemination and commercialization of the products developed by the entrepreneurs. The connections between people and institutions are essential for political purposes and the economic and social needs of nonprofit organizations (SALAMON, 2003).

Project managers need to manage the different needs, expectations and participation from stakeholders while performing their tasks. The good relations between Aliança and its stakeholders have a great influence on the expansion of its work because they represent the fund-raising, support and partnerships that affect activities at the macro and micro levels.

However, the difficulty of measuring results constitutes a challenge to its managers. The results of organizations that promote social development are the creation of social value, and this is not always measured quantitatively. Governance practices and the constant dissemination of the results of social work developed by Aliança are examples of strategies aiming to inform and to satisfy donors.

These practices are strategic to maintaining the legitimacy of nonprofits for stakeholders, sources of credit and commercialization channels for products and services developed by the entrepreneurs who benefit from the organization. One Director of Aliança said that "in addition to believing, our partners need to see the results of our work reflected in the improvement of living conditions of people with whom we work." After all, one of the main characteristics of nonprofit organizations is to achieve their social purpose, satisfying the wishes of its donors (OSTER, 1995).

Usually the adoption of rigid models has been one of the obstacles to implementing entrepreneurial projects (MOORE, 2000). The results indicated that projects developed by Aliança Empreendedora do not fall into this category. The main feature of Aliança is to promote autonomy, technical training and transformation of the environment providing an opportunity for low income entrepreneurs to establish their own businesses and keep them running.

The main strategic practices adopted by CEOs, Directors and Project Managers are presented in Table 3 below:

Table 3 – Strategic practices at macro level

Practitioners	Strategic Practices
EO and Directors	Constant improvement of methodology Encouraging interaction between agents and external stakeholders Systematic meetings Partnerships Accountability Strategic planning Control
Project Managers	Different ways of project implementation Customization tools and methods Autonomy in applying the method Exchange of experience among staff Identification and development of entrepreneurs Rigor in project execution Technical training for the working groups

Source: Authors, 2014.

The autonomy of agents was identified as one of the key characteristics to the success of the projects. The autonomy given to project managers allows them to treat each group according to their particularities, which also reduces the time required for the projects. One project manager said that "it is the agent who is aware of what the group needs and its demands." It is this knowledge that enables agents to "think out different ways of working for a successful project." One director said that the fact that small adjustments are made by the agents while the project is being executed "reduces the time of the actions that would take much longer if they had to go through other agencies."

A nonprofit organization is recognized by its staff for the excellence of its work. Unlike other Nonprofit Organizations, the system developed by Aliança operates in the development of micro-entrepreneurs, provision of credit lines and support in commercialization. One agent noted that the method is successful because "the process is well defined, with rules known by the groups and followed by agents."

Both the methodology adopted and the position of project managers in implementing the projects aim primarily for the independence of the benefited entrepreneurs. The practices adopted by Aliança Empreendedora showed that its main premise is not just to help people but also to educate them. One director of the nonprofit organization said that "the solution for the workgroup lies in us giving them tools, guidance and input and then the group will work." For Aliança, the strategies adopted are intended to achieve the effectiveness of projects, because that is how it adds social value and fulfills its social mission, according to Moore (2000).

Micro-strategies practiced by the project managers

At the micro level, the focus is concentrated on the agents and their role as facilitators together with the beneficiaries of the projects. In this regard, practices related to the identification and development of personal talents were identified, along with creative adjustment for the dissemination of knowledge, along with the building of man-

agement approaches that are better suited to the characteristics of each business according to how agents perceive the needs of the beneficiaries.

Table 4 – Strategic practices at micro level

Practitioners	Strategic Practices
Project managers	Identification and development of personal talents
	Creative adjustment for the dissemination of knowledge
	Interaction with impartiality
	Use of stories, games and practical examples
	Flexibility in the methodology and rigor in the implementation
	Facilitator and advisor
	Stimulation for the independence of the group

Source: Authors, 2014.

The role that agents play in the implementation of projects enhances the understanding of strategy as a social practice (JARZABKOWSKI, 2003). Agents were identified as the main strategic practitioners in the work of the nonprofit organization for their ability to develop activities that change the directions of and create competitive advantages for projects of entrepreneurship at the Bottom of the Pyramid (Jarzabkowski, Balogun & Seidl, 2007). The ability of agents to make choices guided by the meaning they give to the daily running of the organization helps fulfill the social mission of educating and promoting the transformation of common people into entrepreneurs.

The results show that base agents have an active role in project implementation. They identify opportunities and threats and, through creativity and reflection they have gained by experience, they change their praxis and the "ingredients" of projects, seeking solutions and their effectiveness, as stressed by Porac and Thomas (2006). One of the characteristics of complex organizations is creativity developed by its staff that in most cases is the result of the autonomy they have in performing their tasks (STACEY, 2000).

Besides creativity, sensitivity, fairness and flexibility are personal traits identified in the behavior of agents in their work with micro-entrepreneurs. The behavior of agents in the impartial execution of projects is a practice that has a significant effect on the results achieved. The non-interference of agents in day-to-day situations is an incentive for entrepreneurs to develop key skills in order to manage their business; it is also a way of preventing them from becoming dependent on Aliança or its agents. One agent noted that "practical experiences are essential for the group to develop skills to survive when they are alone."

Despite its structured nature, the work methodology developed by Aliança allows agents to tailor program activities and develop incentives for beneficiaries, according to their needs. The micro-strategies chosen for work with groups starts with learning, interpreting the needs, feeling and continuous interaction with groups. The "Game of Life," for example, is a praxis (WHITTINGTON, 1996) adopted and is adapted by the agent for each group. As one agent said, "we try to simulate situations like a board game of life with positive and negative situations that may occur, in which decisions must be made; we also simulate the group's path to success."

In the role of transformers of social reality, the agents manage sensitivity and flexibility. The capacity to understand the sense-making of people, working groups and various external stakeholders (WEICK; ROBERTS, 1993) is essential for agents to make choices, integrate efforts and develop new praxis that contribute to the sustainability of projects. This effort in the search for innovative solutions to economic and social development of the working groups demonstrates what Mort, Weerawardena and Carnegie (2003) called "passion" for particular changes do happen.

Most of the time, agents' insights and their abilities to read the context of projects and the characteristics of micro-entrepreneurs are crucial to successful choices. One Project Manager said that "we take what we perceive as important, but there are needs pointed out that sometimes are much more important and we need to realize that." Thus, it is the agent's responsibility to find a balance between "feeling the needs of the group, but also asking for responses at the time when the time comes", as one agent said.

Table 5 – Outcomes achieved by the organization

Index	2005	2006	2007	2008	2009
Income Increase	-	-	57%	-	30% a 319%
N° of Direct Beneficiaries	343	220	657	-	2000
N° of Groups	2	19	56	-	-
N° of Indirect Beneficiaries	-	-	1970	-	4000
Number of Projects	4	5	6	11	18

Source: Aliança Empreendedora Annual Reports: 2005, 2006, 2007, 2008 and 2009.

The outcomes achieved by the organization reveal considerable progress during its early years. According to the respondents the solidification of the work methodology led to greater success. The practice adopted, guided by this solidified methodology, and the praxis guided by the autonomous working style permit further development (WHITTINGTON, 2006; RECKWITZ, 2002). The compilation of data collected from the annual reports of Aliança Empreendedora suggested that the number of beneficiaries has increased almost six times in five years, while the number of projects increased 4.5 times.

At the same time, the real purpose of the organization is to be able to develop the capacity of its beneficiaries to manage their own ventures so as to achieve greater success. This success can be understood as increasing the income of the group and individuals. Information regarding the billing of business had been monitored since 2007, the organization's third year, and showed an increase from 56.7% in that year to 170% in 2009. The ability of the methodology to make these individuals able to manage their own "fishery" also makes them become part of the market, both as producers and consumers. Working with the bottom of the pyramid according to these indicators has been effective and has helped generate good results for social transformation.

Discussion

The results indicate that base agents are the most important strategy practitioners in the nonprofit organization. In their work, project managers combine elements

such as experience, tacit knowledge, interpretation and interaction in the choice of the most appropriate strategies for the implementation of projects. They also articulate strategic partnerships and create new mechanisms and working practices that best meet the needs of different groups.

Capacity for being creative and innovative is based on motivation and leadership, which are also results of the autonomy given to staff in the implementation of their activities as project managers. The macro and micro level of strategic practices highlight the concern of the nonprofit organization to build integrated strategies that create market opportunities, but also the training necessary for the economic and social development of low-income groups.

At the macro level, the autonomy granted to agents by Aliança and the close relations with stakeholders are key factors for successful ventures. As noted by Moore (2000), strategies in nonprofit organizations play a different role than the models that are developed in the business sector. The social value produced and delivered by the nonprofit organization seeks to achieve two major goals: they contribute to the transformation of living conditions of low income individuals and satisfy external stakeholders such as donors and partners of Aliança.

At the micro level, agents help micro-entrepreneurs to build ideas and transform ideas into opportunities. Practices such as individuality in the processing of projects, the enhancement of interpretation and sense-making in decision making, continuous interaction, fairness, groups that encourage independence and flexibility in the implementation of the method and training and educating micro-entrepreneurs have been identified as essential for projects to be effective.

Concluding remarks

The results of the study reveal that the practices and praxis adopted by project managers make projects successful. The characteristics of the agents, who perform and facilitate the projects, are essential when it comes to realizing what necessary adjustments have to be made in the course of activities to achieve the organization's strategies. According to the historical performance of the organization, its goal to improve the quality of life of low-income entrepreneurs is being achieved.

The development of the projects, despite having a guiding methodology, leaves room for the influence of each project manager's perception, experience, interpretation, insights and sensitivity so that they can adapt the practices and even establish new ways of acting. The use of the autonomy of each agent is a strong characteristic of Aliança Empreendedora. The project managers are considered strategic players and they carry out their activities believing in the mission of the organization.

Information about the development of activities indicates that project managers are the drivers of entrepreneurship at the bottom of the pyramid. Their interest is aligned with the organization's mission to empower entrepreneurs to manage their business without becoming dependent, a characteristic found in welfare work. Entrepreneurs who are aided by Aliança become independent and able to manage their businesses on their own, learning knowledge in theory and putting it into practice with guidance from Aliança along the way. This important issue has to be considered as the strategies become effective. This organization's experience proves that the approach of

Strategy as Practice is an important way to observe the achievement of strategies in organizations and not only considering the strategies of top managers.

At the macro level, managers at the top level and at the project level conduct a significant amount of social activities, putting strategic action into practice and making genuine social and strategic contributions. Through social interactions with stakeholders, project teams and beneficiaries, the project managers are working as strategic practitioners and making relevant contributions to achieve the goals of the organization.

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