Succession process in Social Enterprises in Brazil: challenges or opportunities?

Rosa Maria Fischer

Universidade de São Paulo - Centro de Empreendedorismo Social e Administração em Terceiro Setor - CEATS, São Paulo, Brazil

Edileusa Godói-de-Sousa

Universidade Federal de Uberlândia - Faculdade de Gestão e Negócios, Minas Gerais, Brazil

Abstract

Social enterprising is a sociological and organizational phenomenon, being constructed not only through its various practical formulations, but also through insertion of its theoretical conception, and evidences itself in multiple aspects, being they socioeconomic, political, cultural or environmental. However, the epistemological cut of this study limits it to associations promoting the social transformation to achieve social and economical development.

Studies of Lisboa (2009) point that in Colombia, Equator and Nicaragua, the social enterprises are considered as a recognized sector of the national economy. In Africa, France, Belgium, Canada, and in the U.S.A., non-governmental entities grew and win a macro economical importance. In South America, Arruda (2004) confirms the existence of government agencies promoting this enterprising, seemingly recognizing its importance in improving the people living conditions, as a manner to expand its access to citizenship.

In this scenery of sociological and organizational researches, the first focus of the study is to construct definitions of Social Enterprising, meaning especially the Enterpriser characteristics (Dees, 2001; Grayson & Hodges, 2003; Mort, Weerawardena & Carngie, 2003; Melo Neto & Fróes, 2002) Further studies tried to identify if and how these actions foment social and economical values (Brinckerhoff, 2000; Boschee, 2001; Mair & Marti, 2004; Austin, Stevenson & Wei-Skillern, 2006); and also the role of inter-sector strategic alliances in development of social enterprises (Austin, 2001; Fischer, 2002).

The bibliography on this phenomenon, though recent and so far only exploratory, already contributed greatly to understand the specific characteristics of these enterprises and the challenge of their management to secure their development and survival. They are however practically no references about the succession process of these organizations. Within the few studies about this theme are the works of American researchers, publishing, since the 2000, the results of their researches on these entities (Wolfred, 2002, 2008; Adams, 2004; Randall, Maas, Anrcrum, & Liss, 2004; Teegarden, 2001; Kunreuther & Corvington, 2007; Sandahl, 2007).

This line of research rushes forward and becomes more important by the fact that most of the Third Sector organizations in the U.S.A. are, as said by these authors, entering in the
“Transition Era” of their life span, or, in other words, show a tendency to substitute their most important managers.

Based on this perspective, this study plans to reflect about the possibilities that such organizational changes and their transformation characteristics may impose to a management process devoted to the organizational development, or may become a barrier to the entity progress, and a risk for its own survival.

The purpose of this paper is to investigate how the succession processes in Brazilian social enterprises have been executed, focusing on productive social activism. The study identifies which factors limit and facilitate this process, based on the following aspects: Individual, Organizational and Environmental.

The nature of this research is exploratory and descriptive and was developed in two complementary stages. In the first stage the chosen group consisted of 378 enterprises that were the subject of a survey to identify the productive associations. The survey was set up to identify associations which are productive and within them, the enterprises which are active and those which are going through a succession process. The disposition of the leaders in taking part in the survey was also taken into consideration. The second stage was composed of a sample of 32 enterprises in which their interaction in an Individual, Organizational and Environmental level when going through a succession process was analysed, identifying what facilitates and what limits this succession process.

To analyse the structure and main characteristics of the succession process, these were taken as the base according to the following guidelines: Individual dimension – leadership roles, leadership abilities and leadership styles; Organizational dimension – structure, planning, counselling, communication (transparency), control and evaluation; Environmental dimension – stakeholders’ influence (community, suppliers, clients, partners) in the succession process.

The results suggested that the time of existence, allied with the organizational development stage, were influencing factors of the constitution of this process. The associations’ leaders attribute importance to the participative management in the succession process as a mean of reconciling internal and external expectations, however this is performed based on personal relationships rather than formal procedures to manage the entity relationship with its stakeholders.

References


