



© 2016 by the author(s). This is an Open Access article distributed under the terms of the Creative Commons Attribution 4.0 International (CC BY 4.0) License (<https://creativecommons.org/licenses/by/4.0/>), allowing third parties to copy and redistribute the material in any medium or format and to remix, transform, and build upon the material for any purpose, even commercially, provided the original work is properly cited and states its license.

Citation: Bogacz-Wojtanowska, E. & Jatocha, B. 2016. The bright side of social economy sector's projectification: a study of successful social enterprises. *Project Management Research and Practice*, 3, 5043. <http://dx.doi.org/10.5130/pmrp.v3i0.5043>

Published by UTS ePRESS | <http://pmrp.epress.lib.uts.edu.au>



RESEARCH ARTICLE

The bright side of the social economy sector's projectification: a study of successful social enterprises

Ewa Bogacz-Wojtanowska¹, Beata Jatocha²

Institute of Public Affairs, Faculty of Management and Social Communication, Jagiellonian University, Lojasiewicza 4, 30-348 Kraków, Poland.

Corresponding author: Beata Jatocha, Assistant Professor, Institute of Public Affairs, Faculty of Management and Social Communication, Jagiellonian University, Lojasiewicza 4, 30-348 Kraków, Poland. beata.jatocha@uj.edu.pl

DOI: <http://dx.doi.org/10.5130/pmrp.v3i0.5043>

SYNOPSIS

The main goal of social enterprises is doing business for socially useful purposes. Achieving objectives, both social and economic, requires modern project management instruments and methods. The whole social economy sector, both in Poland and in Europe, is strongly influenced by projectification process, making it one of our research goals to find out which factors are critical to the process of creating durable social enterprises from projects. We wanted to understand how projectification, influenced strongly by European Union policies, changes the landscape of social enterprises in Poland and helps them achieve success.

RESEARCH DESIGN

Our research was conducted *in the years 2010 to 2013*, in Polish social enterprises. Research was of a qualitative character: each social enterprise selected for the study constituted a separate case study. Research results concerning the projectification of social enterprises presented herein were obtained from a qualitative analysis of 28 case studies.

MAIN FINDINGS

Factors that frequently determine the development of a stable or successful social enterprise from a project structure are: (i) common aim; (ii) previous cooperation of a founding group; and, (iii) leadership and business experience of employees. Based on their research, the authors also argue that projects are a kind of a trampoline for social enterprises, allowing them to develop in the first, difficult stage of activity. Later, in most

DECLARATION OF CONFLICTING INTEREST The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article. **FUNDING** The author(s) received no financial support for the research, authorship, and/or publication of this article.

cases, organizations are not interested in project management professionalization. In times of galloping projectification, therefore, we still find organizations that benefit from the process and are not subjected completely to its negative effects.

RELEVANCE FOR RESEARCH AND EDUCATION

Practical implications arising from our research can help social enterprises to pursue further development and professionalization of their activities. By presenting key determining factors in the development of a stable or successful social enterprise from a project structure, the paper provides practical guidance in developing strategies to achieve successful development of social enterprises. Educators can also use the results as a case study for students pursuing programs in project management or in non-governmental organization management.

Keywords

Social Economy, Social Enterprises, Projectification, Social Enterprises Project Management

Introduction

In Europe, we are witnessing a growth in the social economy sector, that is, in socioeconomic organizations that belong neither to the traditional for-profit sector (market economy) nor to the public sector (government) (Deforny 2001; Young 2007). They rather act at the interface of civil society and markets (Jäger 2010). The main goal of these organizations, called social enterprises or social businesses, is doing business for socially useful purposes. These initiatives may take the form of traditional non-governmental organizations (NGOs), like foundations and associations, as well as new kinds of organizations such as social cooperatives, partnerships, and funds.

Social economy is situated between the public and business spheres of administration, and combines both social and profit-oriented objectives. Social entrepreneurship is unquestionably a desirable feature of social economy, understood as reaching planned economic objectives with the use of available resources. Another feature is to involve excluded persons and use their creativity, thereby solving social problems such as structural unemployment and disadvantage among social minorities, as well as strengthening democratic processes, bottom-up social initiatives, and so on. Achieving both social and economic objectives requires modern management instruments and methods.

All of the above-mentioned organizations and ventures achieve their local, social, and ethical missions and goals using methods adopted from the business sector (Defourny, Hulgard & Pestoff 2014). One of these methods is project management. The whole social economy sector, both in Poland and in Europe, is strongly influenced by projectification process: that is, a lot of activities are performed in the form of projects.

For last 10 years, projectification of the social non-governmental sector as well as the economy sector in Poland has been reinforced by the European Union's (EU's) funding stream: hundreds of co-funded projects have been implemented, aimed at increasing the level of development and improving the condition of social economy. Some of these projects have

resulted in the creation of durable, dynamically operating social enterprises, and some of them did not produce any long-term results. In the case of successful projects, we can observe an unusual effect of projectification process: creation of permanent structures, or sustainable social economy organizations.

Although we can identify examples of interesting research on the impact of project work on NGOs (Brière et al. 2015); Golini, Kalchschmidt & Landoni 2015) and on critical success factors in non-governmental projects (Khang & Moe 2008), there is a gap we would like to address in this paper: research on project management best practice in social enterprises. Thus, the main research question we will investigate in the paper is: what are the factors that lead to the creation of durable social enterprises from projects?

This paper uses a set of qualitative data drawn from broader research on the social economy sector conducted in Poland, in the years 2009 to 2014, by researchers from the Institute of Public Affairs. For the purpose of this article, we analyzed multiple case studies, including 28 case studies of existing social enterprises. In addition to our main research goal, we want to understand how projectification, influenced strongly by EU policies, changes the landscape of social enterprises in Poland and helps them achieve success.

Projectification

Project management has long been seen as a niche practice, a kind of supplement to everyday, repeatable activities conducted by organizations. Over the last couple of years, the situation has changed significantly and a project management approach has started to dominate many organizations, regardless of sector or industry. One can even refer to “grandiosification” of projects as a superior alternative to ineffective, rigid, boring bureaucracies (Gill 2002; Grabher 2002; Packendorff & Lindgren 2014), in both the practical world and scientific discourse.

Projectification as a process involving an increasing number of tasks executed in the form of projects, gradually replacing long-term, repeatable activities, is an issue more and more often subject to scientific reflection (Midler 1995; Aubry & Lenfle 2012; Jałocha 2012; Packendorff & Lindgren 2014; Godenhjelm, Lundin & Sjöblom 2015; Fred 2015). While project management has been growing more prevalent, projectification has been evolving to cover broader and broader areas of human activity. Initially, projectification was identified at an organization level (Midler 1995); however, it soon became apparent that projectification also covered the activities of individuals and whole societies. It has been argued that projectification should be redefined to refer to all these levels: societal projectification, organizational projectification, and personal projectification (Kuura 2011; Maylor et al. 2006).

Although projectification is commonly admired for enabling work flexibility and increasing work effectiveness, there are critical voices. Problems created by projectification have been pointed out in many papers by researchers dealing with critical project studies, an area developed by the Making Projects Critical movement, which has raised for scientific discussion issues such as power, ethics, moral responsibility, and the dysfunctions of project rationality (Hodgson & Cicmil 2006, 2007; Lindgren & Packendorff 2006; Ika & Hodgson 2014; Packendorff et al. 2014).

Lingren & Packendorff (2006) contrast the common belief that projects free us from bureaucracy and symbolise innovation, decisiveness, and entrepreneurship, with a thesis that projects entail other restrictions. Persons involved in project activity become even more controlled by, among other things, time, place, and ways of thinking.

Referring to a panopticon metaphor created by Michel Foucault, Lingren & Packendorff state that project work is a kind of a prison, or another way to discipline people in organizations. Hodgson & Cicmil (2006) are of similar opinion and believe that in a way projectification colonizes all aspects of our lives, by imposing on us principles and procedures of project thinking.

Projectification can be understood in a narrow and a broad sense (Packendorff & Lindgren 2014). In the narrow sense, projectification is a kind of organizational restructuring with a view to improving project activities. As described by Packendorff & Lindgren (2014, p. 10), it “is usually based on an instrumental and structural notion of the project form as an organizational solution to certain types of tasks.” By contrast, the broad and most common understanding of projectification observes the reasons for and consequences of improving project activities, referring to cultural and social influences. Packendorff & Lindgren underline the fact that the broad sense is not the same as the notion of societal projectification, as defined by Maylor et al. (2006), but rather a “different theoretical view in which formal structural units are seen as institutionalised social constructions and not as stable entities” (Packendorff & Lindgren 2014, p. 12).

Another critical viewpoint believes projectification invites excessive bureaucracy, and causes a lack of trust and a lack of persistence in project activities, threatening beneficial outcomes. As Packendorff & Lindgren (2014) write, referring to Chiapello & Fairclough (2002): “Being successful in a projectified society is closely linked to being available, flexible, and connected, while sacrificing lifelong plans, stable conditions, and social predictability.”

To a large extent, we agree with the critical attitude to projectification process that researchers of the Making Projects Critical movement represent. At the same time, we observe that in certain situations, for example in social enterprises, projectification can indirectly entail positive changes (establish stable structures and connect people for the common good) and organizations can use it without fully subjecting to its processes.

Social enterprises

Social economy and social entrepreneurship are already the subjects of extensive literature, in Europe, Canada, and Latin America in particular, where we have witnessed an increase in the quality and quantity of writing over the last 20 years. These two decades represent the third development stage of social economy in the world, with previous stages taking place at the beginning of the 19th century and toward the middle of the 20th century (Demoustier & Rousseliere 2005). Social enterprises, in not belonging to a traditional business sector or to a public sector (Deforuny 2001; Young 2007), are considered organizations operating at the interface of a broadly understood social sector and markets (Jäger 2010). Running a business or applying management methods characteristic in traditional enterprises are often emphasized in achieving socially useful objectives, in particular local, social, and ethical objectives (Defourny, Hulgard & Pestoff 2014).

Social enterprises are usually defined as types of organizational activity undertaken for social interest, executed with business strategies (Zappala 2001, pp. 41–8). It is worth underlining that contemporary understanding of social economy is not limited to formal organizations (social cooperatives, nonprofit companies, NGOs, and so on), but also refers to informal entities (cooperatives, associations, and groups in which specific economic goods are exchanged within a certain collective, objective-oriented activity). Despite the fact that a majority of researchers excludes public organizations from the social economy sphere

(Defourny 2001), the public sector, especially in Europe, is generally considered a facilitator of social enterprise. It does this by eliminating legal regulations that hinder the development of social enterprises, imposing standards of operation, establishing financial incentives, and providing institutional and programme support for this type of initiative (Gray, Healy & Crofts 2003, p. 149). Thus, many public projects, in the EU in particular and at a regional level especially, are aimed at various social groups in order to support the incubation and initiation of new social enterprises.

In public discourse, social economy is sometimes called alternative economy, in which non-financial exchange and ethical trade take place and enterprises operate for local community (Amin 2009, pp. 4–5). Furthermore, it is also sometimes called solidarity economy (in France, Canada, and Brazil in particular), a term that reflects the thinking of academics and politicians who consider social enterprise a recipe for global financial crisis, a way to economically activate local and regional communities (Lechat 2009, p. 159). Solidarity economy is based on collective, internal, and inter-organizational solutions, and horizontal and non-hierarchical networks in which harmony, cooperation, social value, active citizenship, individual worth, and collective worth constitute value. Solidarity economy focusses on non-market activity and is strongly related with informal social economy entities (Mendell 2009, p. 179).

In Poland, certain characteristics of social economy development are binding. It is believed that “new” social enterprises, established after the social and economic changes that occurred in the country in 1989, have completely different objectives and structures from so-called “old” or “traditional” social enterprises, originating in the 19th century. What identified a social enterprise in Poland in the 19th century was its patriotic, grassroots, and independent character, which was connected with the development of the peasants’ movement (Rymsza 2008). These organizations focussed their activities on specific areas such as philanthropy, patriotism, or self-help (Hubrich et al. 2012).

Today, traditional social economy in Poland includes rural, worker, and housing cooperatives and credit unions. Social cooperatives, social enterprises, social integration centers, vocational rehabilitation facilities, and therapy workshops are considered new social economy. The origin of this divided perception lies in the Polish third sector: only the new social economy is an object of public policy and financial support. In particular, values and principles on which social economy should be based are essential, that is, it should be of non-political, local and community character.

It is worth noting that Polish experiences and the development of different forms of enterprise are typical for Europe and established within the EMES approach (EMergence des Entreprises Sociales en Europe) (Defourny 2001), which contrasts with the one binding approach in the United States (Kerlin 2006). The EMES approach underlines the dichotomous character of social enterprises, which achieve both economic objectives (as regular enterprises) and social objectives.

Projects in the social sector

Managerialism is presented in the subject literature as one of the basic assumptions of social entrepreneurship (Mauksch 2012). Project management is a symptom of managerialism adapted by both the public sector and non-governmental sector. It is one of the main forms of executing activities used by NGOs, and has been used by them for many years (Lindenberg 2001).

In the case of NGOs, project management is typical for several reasons. Funds obtained externally are usually temporary and secured to fulfill a goal. Moreover, contracts concluded on performance of public tasks take the form of projects, as do tenders announced by grant-giving foundations. Very frequently demands are made that, in order for a social enterprise to come into existence and become stable and successful, it must establish and implement an entrepreneurship scheme (Bryson, Gibbons & Shaye 2001; Sarpong & Davies 2014). Do social enterprises, therefore, consider project management to be their business model?

Literature on project management in the social sector largely refers to a narrow understanding of projectification process: research authors most frequently focus on aspects of projectification that relate to project management methods and techniques used in the non-governmental sector. Due to the distinctiveness of objectives and plurality of stakeholders across the social sector, projects are very diverse. Social sector organizations are also distinctive in terms of the project management standards, methods and techniques they adopt as optimal. Various standards can even appear within one organization, depending on a client's requirements or the expectations of different funding organizations. Similarly, some project management methods and techniques are used more frequently and willingly (for example, work breakdown structure), and others less (for example, project evaluation technique).

According to Golini, Kalchschmidt & Landoni (2015), these differences depend on the type of the industry and project maturity of a given organization. It is commonly assumed that the level of project maturity (defined as the ability of an organization to execute project management processes, as well as documenting, measuring, controlling, and continuously developing them) influences the general result of the organization and its management success. Research demonstrates that maturity levels found in particular industries might be diverse, and depend on whether project management is a new practice in a given industry or a practice commonly used for many years (Grant & Pennypacker 2006).

Golini, Kalchschmidt & Landoni (2015) also show that in NGOs some instruments are used more willingly than others. They indicate that NGOs adapt simple techniques more willingly than more complex methods of project management. By estimating the level of project maturity of researched NGOs, they suggest that willingness is related to the type and development of instruments used. Furthermore, Golini, Kalchschmidt & Landoni prove that developing knowledge about project management can enable NGOs to obtain higher effectiveness, and they suggest that effective use of project management instruments is not dependent on the size of an NGO, since project management can benefit both small and big organizations.

Unfortunately, literature about project management does not refer to project management processes in social enterprises. It is difficult, therefore, to generalize on the characteristics of these processes. Later in this paper, we analyze research results and try to identify trends in project management in Polish social enterprises.

Financing social projects in the EU

EU funds are one of the main sources supporting non-governmental and social projects aimed at developing human resources and levelling civilization differences in EU states. They are distributed through the agency of mega-programmes, such as the Human Capital Operational Programme. Frequently, social sector organizations become beneficiaries of such programmes, and resources dedicated solely to the development of social enterprises have

been allocated in the current EU programming period (2014–20), including €90 million (in the form of projects) to the development of European social enterprises within the Social Entrepreneurship Fund initiative (European Funding Network).

Among opinions on the impact that EU funds have on the development of social enterprises in East-Central Europe, there are critical viewpoints. This criticism mainly concerns organizations becoming dependent on obtaining grants, as well as the availability of these grants for bigger and stronger organizations. One of the important arguments, especially in the context of projectification, is that funding arrangements encourage social enterprises to think in a project-oriented and, thus, short-term way, which undermines the stability and balanced development of these enterprises. Further criticism cites excessive focus in EU-funded projects on administrative aims, rather than on social impact.

However, these voices are rare. Criticism concerning projects funded with EU resources is lost in so-called grand narratives, established for the purposes of EU apparatus. These grand narratives are opinions popularized largely by bodies and institutions involved in distributing and spending EU resources. They mainly describe the benefits of stimulating social enterprises with EU resources, including the development of citizen society and social innovations (for example, the European Funding Network).

Taking into consideration the difficulty social entrepreneurs often face searching for resources to finance their businesses, these narratives bring hope and are attractive. They do not, however, refer to the organizational, social, and personal costs involved in adopting project management practices to execute EU-funded activities. Thus, in the context of projectification processes across the whole sector, it is worth considering how social enterprises deal with restrictions imposed by project-oriented forms of operation.

Research methodology

Research conducted within a project titled “Integrated support system of social economy”¹ formed the basis for our deductions in this paper, with partial results from the research providing our reference material. The project’s basic aim was to identify sustainability factors in social enterprises operating in Poland, that is, organizational features and phenomena in their environment that could contribute to their development, sustainability, and success. In particular, it was interesting to identify their ability to execute economic and social objectives and, as a result, establish organizational recommendations and system constructions that could enable the public sector to support them.

The research was conducted in the years 2010 to 2013, and was divided into three stages. In the first stage, realised at the turn of 2010/2011, 36 entities were selected to take part. The objective of stage one was to characterize these social enterprises: their roots, social capital, and legal environment. The second stage, realised in the first half of 2012, involved eight entities and covered organizational and managerial issues, as well as sustainability and success factors in social enterprises.

1 Research was conducted by the Institute of Public Affairs (a co-author of this paper participated in the research, which is elaborated on later in the text) within a project titled “Integrated support system of social economy” under Human Capital Operational Programme, Priority I. Employment and Social Integration, Measure 1.2: System support to institutions of social assistance and integration. The project was co-financed with European Union resources under the European Social Fund and conducted in the years 2009 to 2014.

The third and last stage, whose partial results are presented in this paper, was realised in the second half of 2013. It involved 28 entities and concentrated on competitiveness factors in social enterprises and their operation in a local environment. It also considered factors that influenced the way the entities were established, including:

- belonging to the so-called new social economy;
- having various social objectives, which generally cover three main types: integration (increasing employability), local development (activating local resources, increasing quality of life in communities), and social services (addressing a deficit in the local environment);
- performing their economic activity in various areas (including service, as well as production); and
- having different organizational forms, comprising social cooperatives (18), occupational workshops (1), NGOs conducting business activity (1 foundation, 5 associations), nonprofit companies (2), and church organizations conducting business activity (1).

Research was of a qualitative character: each social enterprise selected for the project constituted a separate case study. Case study is a research strategy focussed on understanding processes happening within a particular case study arrangement (Eisenhardt 1989). Case studies can be based on a single case or numerous cases, and involve various levels of analysis (Yin 1984). This research strategy usually employs various methods of collecting data, such as interviews, observations, and analysis of archives, and the data that is collected can be of a quantitative or qualitative character.

To collect data in each case study, the following three research methods were used:

- in-depth interviews with leaders, managers, representatives, employees, and external stakeholders of the social enterprises, according to a prepared scenario;
- short participant observations, carried out during visits to the organizations according to prepared criteria; and
- analysis of organizational documents obtained during site visits (financial statements and balance sheets, business plans, work regulations and so on, and the organization's portfolio and website).

Using these methods, 10 trained researchers from the Institute of Public Affairs collected data according to determined procedures and research instruments. Next, the researchers analyzed the material they had collected, in compliance with project guidelines.

Researchers then created reports based on their findings, establishing case studies for all 28 entities selected for stage three of the project (one research report for each social enterprise). Triangulation of research methods helped to ensure the validity of research findings, with experienced researchers monitoring all procedures, and verifying data quality and reliability.

Research results concerning the projectification of social enterprises presented in this paper were obtained from a qualitative analysis of the 28 case studies. After reading the research material, our attention was drawn to the fact that the majority of these social enterprises started their activities as projects, most frequently financed indirectly with EU resources. This feature was very interesting to us, and we decided to submit it to more in-depth consideration.

In general, we searched for particular regularities in the 28 case studies. We also attempted to explain problems with distinguishing and conducting projects in these social enterprises,

as well as establishing stable organizations from projects. The analysis on which we base our conclusions in this paper involved searching for cross-case patterns. In particular, our qualitative analysis involved:

- carrying out a preliminary reading of all 28 case studies, together with level-oriented categorisation and comparison of data. This allowed us to define the notion of social enterprise success, and establish definitions for sustainability/stability and downfall/stagnation in social enterprise;
- classifying all 28 case studies as successful, sustainable/stable or in downfall/stagnating social enterprises;
- selecting 16 case studies in which projects constituted an essential element in establishing the social enterprises, as well as their ongoing operation;
- analyzing these 16 social enterprises, establishing categories and sizes of project activity, and grouping them into two main types based on similarities and differences;
- manually coding the case studies prepared by researchers from the Institute of Public Affairs (containing quotes from managers and leaders), highlighting words, phrases, sentences, and whole paragraphs that referenced projects and success factors in social enterprises;
- assigning organizational categories to the social enterprises during “data destillation” (Tesch 1990), including their legal form, development stage, social goals, and type of business activity;
- reducing the categorized research materials and subjecting them to cross-case analysis; and finally
- introducing certain generalizations of explanatory character, which do not claim any rights to universality.

Before our findings are presented in detail, key categories referenced above – social enterprise success, sustainability/stability, and downfall/stagnation – need fuller explanation. This will allow us to relate projectification to each social enterprise’s situation at the time of the research. Of course, our categories draw on conventional characteristics, since it is impossible to explicitly determine the difference between the success and sustainability/stability of an enterprise.

An enterprise that has achieved *success* is one whose leaders decide it is successful and start offering new services or products, and increasing the number of employed staff. It is also financially stable and invests financial surplus in new business undertakings. Furthermore, its competitive area is continuously growing and its services are not only local. There were seven social enterprises of the success type among the 28 entities selected for stage three of the project.

An enterprise displaying *sustainability* is one whose leaders notice a certain *stability* in its activities. It has a set number of clients, allowing it to preserve liquidity and stay in the market (with possible, permanent support resulting from achieving social objectives, such as occupational workshops). The majority (20) of the social enterprises in stage three had relative organizational sustainability.

And finally, an enterprise at a *downfall* stage is one that has lost its clients and liquidity, and/or depends on a parent organization, does not employ paid staff, and its leaders believe will cease activity in the near future. There were three enterprises that had these characteristics.

In addition to categorising all 28 social enterprises according to their stage of development, we submitted a subgroup of 16 social enterprises to detailed analysis. Table 1 presents their basic organizational characteristics.

Statements presented below are fragments of original answers given by leaders of social enterprises, during in-depth interviews with them.

The role of projects

In social enterprises researched by us, “breakthroughs” were identified – also called “milestones” by some leaders – which represented the beginnings of stable development. Interviewees indicated that projects which enabled them to start up or develop their enterprises offered such breakthroughs. This observation was confirmed by the fact that, in many cases, the projects had an “organization establishing” role, that is, they constituted an impulse or source for establishing a stable organization. For example:

The year 2004 was a breakthrough. First, Solidarity project was established in a social centre, where the mayor wondered together with the director what to do in order to minimize the unemployment in the commune. [...] They decided that they would buy chickens and ducks and give them away to people. They would buy seeds for people to cultivate. [...] Later, there had been no act on cooperatives yet, but the mayor thought of a social cooperative. (Enterprise A)

In addition, there was a characteristic external projectification that led to each enterprise being established: an essential role was played by the networks and actions of local activists, who organized and co-established the project on the grounds of existing networks. Usually, the projects used and activated local social and economic resources. For example:

Our history begins [...] with the decision to give the city of Wrocław a title of the European Capital of Culture 2016. On the roll of this event, urban Cultural Institution IMPART – Wrocław 2016 together with the British Council entered into partnership within the project Future City Jobs, within which workshops for local activists, entrepreneurs, persons connected with culture and art, and broadly understood local leaders were held. (Enterprise N)

Social enterprises that start operating without support in the form of a project, as with Enterprises A and N above, are significantly hindered at the outset. They must source and allocate relevant resources before executing activities, which would have been much easier with the project support. There are no situations when enterprises use all available resources distributed with the use of projects only as to increase their revenues. For different reasons these organizations engage in projects, but these reasons must be always important and related with the enterprise’s social objectives, e.g. with social integration. In some sense and in a rather unaware manner it writes down in a conception of organization portfolio management – a strategic selection of these initiatives that support the enterprise’s development.

We are trying to obtain these resources that sometimes occur and conduct ideas that are society-oriented. It is not like that, that we take just whatever, because we must be certain that we are truly able to provide something – a service or a project. We consult everything, we know what is going on and have contact with the commune. I think that we operate thanks to a good contact with the commune and that we do the things we do. We would certainly lose, if it was different and if we only dealt with services and did that just as any other company would. (Enterprise A)

Table 1 Characteristics of analyzed social enterprises

| Analyzed social enterprise | Development stage | Legal form | A scope of undertaken business activity | A scope of undertaken social activity (social objectives) |
|----------------------------|-------------------|--------------------|--|---|
| A | sustainability | social cooperative | education, construction logistics, polygraphy | employment, activity for the benefit of local community |
| B | sustainability | social cooperative | care services, office supplies distribution | reintegration of disabled women who suffered from cancer, help for the elderly and the disabled |
| C | sustainability | social cooperative | production and sale of pellet | employment of persons at pre-retirement age and with disabilities |
| D | sustainability | association | production of ecological alimentary articles, animal breeding | helping persons with HIV/AIDS and disabled person |
| E | sustainability | social cooperative | cleaning and renovation / construction services renting facilities | employing and supporting excluded persons |
| F | success | association | thematic workshops, integration stays, rural SPA, rental of rooms and accommodation facilities, local products | activation of local environment and creation of workplaces on the grounds of cultural heritage of the region, as well as general cultural heritage protection of the region |

Table 1 continues on the next page

Table 1 (Continued)

| Analyzed social enterprise | Development stage | Legal form | A scope of undertaken business activity | A scope of undertaken social activity (social objectives) |
|----------------------------|-------------------|---------------------------|---|---|
| G | success | social cooperative | integration of childcare facilities | help for children in difficult life situations |
| H | downfall | limited liability company | catering | reintroduction to the labour market persons with certified psychic disability, as well as active promotion of social entrepreneurship |
| I | sustainability | social cooperative | renovation/roofing works | professional activation of the unemployed |
| J | sustainability | social cooperative | catering (bistro) | employment, promotion of healthy food |
| K | success | social cooperative | catering (restaurant) | promotion of healthy approaches to life, and support for local farmers in cultivation using natural methods |
| L | sustainability | social cooperative | graphic design, photography, multimedia, and advertising services | professional and social reintegration, local development, creation of values |

Table 1 continues on the next page

Table 1 (Continued)

| Analyzed social enterprise | Development stage | Legal form | A scope of undertaken business activity | A scope of undertaken social activity (social objectives) |
|----------------------------|-------------------|-----------------------|--|--|
| M | sustainability | social cooperative | housekeeping, gardening | reintroduction of persons threatened with exclusion into the market, enabling social activation and integration, and restored relations in the local community |
| N | success | social cooperative | image and training services, 3D projects and print-outs, screen printing workshops, sewing | cultural services |
| O | sustainability | church organisation | catering | social and professional integration, operation of a Social Integration Club |
| P | success | occupational workshop | craft | activation and reintegration of persons with autism |

Source: Own study on the grounds of research.

Projects are also used as an instrument to motivate employees, which results from the fact that researched enterprises use in managing people practices of the third sector. This was pointed to by the leaders by underlining difficulties with leaving social-based thinking with domineering friendly and membership relations.

Projects also offer a way to increase the innovativeness of an enterprise, enabling the enterprise to execute tasks that it could not have otherwise afforded due to a lack of resources. These tasks are often unique, innovative.

Developmental factors: initial project to social enterprise

COMMON OBJECTIVES AND PREVIOUS COOPERATION

Despite the fact that our case study analysis explicitly implies that project performance is a catalyst for developing social enterprise, in most cases enterprise leaders indicated that the success of a social enterprise does not depend on the initial project but on the motivation and idea for common business. In addition, research reveals that developing knowledge about project management in social enterprise does not always lead to greater organizational effectiveness, as the subject literature indicates with NGOs (Golini, Kalchschmidt & Landoni 2015). Enterprise leaders suggest that artificially forced social entrepreneurship, as is the case with projects financed by the EU – which might involve gathering together a group of persons who have not met before and expecting them to cooperate, for example, on starting up a social cooperative – does not determine success, as illustrated in the following example:

Frequently, support programmes aimed at establishing founding groups do not fulfill their role in the fullest because they reach recipients in a proper way. It is much easier to work with a group that reported its willingness to set up a cooperative itself rather than with the one that was a bit artificially gathered during classes within some kind of a project. (Enterprise C)

Often after receiving this kind of forced support via external projects, frequently implemented with EU resources, an enterprise does not manage well in the market and stagnates, possibly searching for better support. Whereas projects aimed at social enterprises are usually set up to help disfavoured groups, and the project focus is on encouraging those who are not typically entrepreneurial and active. Research demonstrates that the optimal situation for positively influencing the development of a sustainable social enterprise is when a group of persons (a so-called founding group) with a common, clearly set aim and idea for business applies for participation in a project. If founding group members already know each other there is greater opportunity for optimal use of individual competencies, as well as a kind of a synergy resulting from combining their abilities:

Since the founding group knew themselves earlier [...] and had diverse professional experience – including, among others, a dietician, a cook, a manager, an environment protection engineer, and a social activist – they decided to open a vegetarian–vegan bar. Thus, everyone could feel accomplished thanks to their common activity. Furthermore, on the grounds of market and environment observation, they decided that this facility would respond to increasing need for a diet based on healthy food. (Enterprise K)

LEADERSHIP: DIFFERENT, BUT NECESSARY

As our research implies, one of the most important factors influencing the success and stability of an enterprise is leadership. Enterprise leaders agreed that, apart from a common

business vision, leadership is the most important factor determining the success of a social enterprise. Yet there is no one style of leadership: in our case studies we identified a full spectrum of attitudes and expectation, top-down leadership to scattered, participative leadership. Another interesting observation was that cooperatives, despite being entities with an assumed democratic character, often embrace a classic leadership style based on the presence of a strong leader, as explained below:

In a cooperative there must always be a leader who must be accepted by the rest of the members. He or she must supervise everything. One frequently hears about cooperatives that have great ideas, but they do not start off because people fight over who should be the leader. It is very important to determine at the beginning who is responsible for what. (Enterprise A)

Shared, democratic leadership requires, according to enterprise leaders, more effort, but is considered the optimal form, reflecting ideas and objectives of a social enterprise:

It is not that obvious that everything is perfect. However, a certain collective was established, got to know themselves, and despite certain arguments, as usually happens with democratic structures where there is no pyramid, everybody co-decides; they are able to co-work, cooperate, and support themselves. (Enterprise N)

Individual competency

Another factor identified by us, allowing stable social enterprise to develop, is the business competencies of employees, including skills related to project and project portfolio management. Our analysis indicates that a lack of competency is one of the main sources of downfall or stagnation in social enterprise. An enterprise cannot be led without employees who possess the skills needed to secure a place in the competitive market.

Basically, projects were conducted in each enterprise, and the need for relevant competencies to conduct and manage those projects was underlined. What was interesting, however, was that experience in project work was not enough: some founders of social enterprises, usually those founders originating from the third sector, often had project competencies but lacked entrepreneurship experience, as in the following example:

[Enterprise H] gathered activists, persons of ethos dedicated to the idea of helping the weak and levelling the odds, yet, although these persons had experience with project work, this environment was missing others with experience in conducting a business activity, entrepreneurial people. The president of [Enterprise H] did not hide that he lacks such experience and, moreover, he did not want to manage an enterprise for ideological reasons: "[...] it is extremely difficult for me to change my mind-set to other priorities, to other ways of thinking that each penny must be earned and that this is normal, ethical." (Enterprise H)

When members of a social enterprise do not have any particular business skills, organizational problems appear. Drive, involvement and a sense of mission can allow an enterprise to strive through the toughest times, but a lack of managerial competence is felt. If there is at least one person with the necessary competency, managerial problems can be avoided, as in the example below:

[...] she has great experience. For a long time she had been a chief accountant in a cooperative of the disabled. As far as I know, she was a member of the supervisory board. She is well skilled in management. We learn a lot from her. (Enterprise B)

It is worth underlining that because persons who become employees of social enterprises are often excluded, they usually do not have competencies in management. It is not, however, important that all members of an enterprise acquire such skills; it is enough for one individual or a couple of persons to have the capacity to transform a project into an enterprise. Throughout the process everyone, including excluded persons without business experience, can learn and become important players in an enterprise. For example:

The oldest employee, and at the same time a member of the management board, [originally] went to gardening workshops organized by CIS due to being unemployed for over ten years (when he lived off collecting waste paper and scrap). There was a time when he lost his apartment and became homeless. Then he turned up at CIS and decided to join a social cooperative that was in the process of establishment within gardening workshops. Joining the cooperative was a chance for employment he could not have found, despite trying. Currently, the employee is satisfied both with the relation he has with other employees, the respect, the possibility to use his own skills, and the remuneration, which, as he says, is enough for a living. (Enterprise M)

Conclusion

Projectification includes all areas of organizational activity, and impacts the social sector by introducing a way of distributing financial resources to enable the development of social enterprises. This impact, in the case of the social enterprises researched by us, seems to have had a rather positive, organization-establishing character. By comparison, projectification in the public sector, in particular with initiatives driven by EU programmes, also entails several restrictions and causes pathology. Social enterprises seem to benefit from the boon of projectification and avoid thoughtlessly adopting project management as the best and only method of conducting activities.

Social enterprises researched by us treated projects as instruments, that is, as a means to obtain external funds and start up their activities. Furthermore, as opposed to the common belief that project maturity contributes to the success of an organization and striving for an increase in maturity should be an aim itself, social enterprises cope well by rejecting project management as the main method of conducting activities. Our research did not show a correlation between success and a high level of project maturity.

It turns out projects are a kind of a trampoline for social enterprises, allowing them to develop in the first, difficult stage of activity and, later, most organizations are not interested in project management professionalization. This finding probably reflects the areas of activity undertaken by social enterprises in our case studies and, in most cases, their lack of interest in diversification into more innovative services and products.

Projects that entail external funding, predominantly from the EU resources are, therefore, undertaken to obtain funds, but this is not understood to be the main form of task realisation by social enterprises. Therefore, it seems that social enterprises benefit from projectification process and, at the same time, are not subject to transformation into project-oriented organizations. Furthermore, projects in the social sector are used to build networks for social enterprises. We can state that social enterprises researched by us do not submit to projectification pressure, using the project approach rather than being dominated by it. Undoubtedly, a bright, positive side of projectification is the fact that projects are accepted as commonplace and resources to start up social enterprises are readily available, making it possible to realise social initiatives. Projects and related financial resources constitute a

trampoline for the excluded, for the unemployed, for persons without any perspectives to start up their own social enterprise.

It is clearly possible to distinguish two versions of establishing a social enterprise through the agency of a project called, by us, an “initiation project”. In the first version, an initiative to start up a social enterprise comes from the public sector and, thus, the new enterprise can count on favour and support from, among others, EU resources. In the second version, an enterprise is set up through the resourcefulness of private persons, who take advantage of money flowing in their environment from projects conducted by an NGO. Usually, in the second scenario, the enterprise remains “under the care” of the NGO.

Both versions can lead to establishing permanent organizational structures, but in Poland the initiation projects are usually incubators, or starting points for social enterprise. Factors most frequently cited as determining the development of a successful or stable social enterprise from a project structure are as follows:

- common aim and previous cooperation of a founding group;
- leadership; and
- business experience of employees.

Our research proved that conducting post-initiative projects is sometimes important for successful social enterprises. In particular, post-initiative projects enable enterprises to extend their offer, and introduce innovative products or services. Social enterprises that offer less innovative products and services (for example, cleaning, renovation works, and catering) are usually not interested in realising new projects, instead preferring to focus on their core delivery. Research shows that even though projects are extremely important at the starting point for social enterprises, they are not a preferred method of conducting activities at the point of achieving a stable level of activity.

This happens for two reasons. Firstly, it is much easier to obtain project support to start up an enterprise than to finance objective-oriented, specialist projects designed to benefit enterprises that have already achieved a level of stability. Secondly, the majority of projects that can be realised by social enterprises impact the social sphere, that is, they realise social and not business aims (Bogacz-Wojtanowska 2015).

Social projects are used only by social enterprises that are NGOs and, thus, they can use a series of projects aimed at the third sector. It allows them to calmly develop business, even during a weak economic situation, and to maintain jobs and achieve social aims. Project support that is potentially available to those that were successful in the market, including financial resources available for other enterprises. As of then it means exploring the market, to which, it seems, only some social enterprises in Poland are prepared.

Compared with typical NGOs, which largely base their activity on projects and act on the ground conducting project portfolios, social enterprises researched by us more often focussed on operative activity. In the case of NGOs that are also social enterprises, the notion of an economic activity can constitute an intentional attempt to escape the projectification that comes from the public sector, characterized by gradual governmentalization. Third sector governmentalization processes observed in the world since the eighties (Lipsky & Smith 1989) result from cooperation with the public sector, and mean a gradual loss of independence and transformation into quasi-NGOs. Such phenomena are also observed in the Polish third sector.

Due to the fact that the research was of a qualitative character, was conducted on a small number of Polish social enterprises, and was not of a longitudinal character, there would be value in

continuing the investigation on a wider group of organizations operating in a variety of countries. Nevertheless, the research undoubtedly allows us to state that in a time of galloping projectification we still find organizations that benefit from this process and are not subjected completely to its negative effects – organizations in which social objectives remain much more important than modern trends in management and a human is always more important than a method.

About the authors

Ewa Bogacz-Wojtanowska, PhD, is an organizational and management researcher, Associate Professor at the Institute of Public Affairs, Jagiellonian University in Cracow, Poland. Her professional interests are nonprofit and social enterprise management, cooperation among public and non-governmental organization and civil society.

Beata Jałocha, PhD, is an Assistant Professor at the Institute of Public Affairs, Jagiellonian University in Cracow, Poland. Her main research interests are projectification, project management in public and non-governmental sectors, critical participatory action research.

References

- Amin, A. 2009, 'Locating the social economy', in A. Amin (ed.), *Social economy: international perspectives on economic solidarity*, Zed Books, London & New York, pp. 3–21.
- Aubry, M. & Lenfle, S. 2012, 'Projectification: Midler's footprint in the project management field', *International Journal of Managing Projects in Business*, vol. 5, no. 4, pp. 680–94. <http://dx.doi.org/10.1108/17538371211268997>
- Bogacz-Wojtanowska, E. 2015, 'Management in social enterprises', in I. Przybysz (ed.), *The development of social enterprises in contemporary Poland: steps forward and steps back*, Institute of Public Affairs, Warsaw.
- Bryson, J. M., Gibbons, M. J. & Shaye, G. 2001, 'Enterprise schemes for nonprofit survival, growth, and effectiveness', *Nonprofit Management and Leadership*, vol. 11, pp. 271–88. <http://dx.doi.org/10.1002/nml.11303>
- Chiapello, E. & Fairclough, N. 2002, 'Understanding the new management ideology: a transdisciplinary contribution from critical discourse analysis and new sociology of capitalism', *Discourse & Society*, vol. 13, no. 2, pp. 185–208. <http://dx.doi.org/10.1177/0957926502013002406>
- Defourny, J. 2001, 'From third sector to social enterprises', in C. Borzaga & J. Defourny (eds.), *The emergence of social enterprise*, Routledge, London & New York, pp. 1–18.
- Defourny, J., Hulgard, L. & Pestoff, V. (eds.) 2014, *Social enterprise and the third sector: changing European landscapes in a comparative perspective*, Routledge, London, pp. 1–296.
- Demoustier, D. & Rousseliere, D. 2004, 'Social economy as social science and practice: historical perspectives on France', *Cahier de Recherche LEPII, série EMOL*, no. 6, pp. 1–26.
- Eisenhardt, K.M. 1989, 'Building theories from case study research', *Academy of Management Review*, vol. 14, no. 4, pp. 532–50. <http://dx.doi.org/10.5465/AMR.1989.4308385> and <http://dx.doi.org/10.2307/258557>
- European Funding Network n.d., *Social business*, viewed 12 May 2015, <http://europeanfundingnetwork.eu/policy/social-business>
- Fred, M. 2015, 'Projectification in Swedish municipalities. A case of porous organizations', *Scandinavian Journal of Public Administration*, vol. 19, no. 2, pp. 49–68.

- Godenhjelm, S., Lundin, R. & Sjöblom, S. 2015, 'Projectification in the public sector – the case of the European Union', *International Journal of Managing Projects in Business*, vol. 8, no. 2, pp. 324–48. <http://dx.doi.org/10.1108/IJMPB-05-2014-0049>
- Golini, R., Kalchschmidt, M. & Landoni, P. 2015, 'Adoption of project management practices: the impact on international development projects of non-governmental organizations', *International Journal of Project Management*, vol. 33, no. 3, pp. 650–63. <http://dx.doi.org/10.1016/j.ijproman.2014.09.006>
- Grant, K.P. & Pennypacker, J.S. 2016 'Project management maturity: an assessment of project management capabilities among and between selected industries', *IEEE Transactions on Engineering Management*, vol. 53, no. 1, pp. 59–68. <http://dx.doi.org/10.1109/TEM.2005.861802>
- Gray, M., Healy, K. & Crofts, P. 2003, 'Social enterprise: is it the business of social work?', *Australian Social Work*, vol. 56, no. 2, pp. 141–54. <http://dx.doi.org/10.1046/j.0312-407X.2003.00060.x>
- Hodgson, D. & Cicmil, S. (eds.) 2006a, *Making projects critical*, Palgrave Macmillan, New York.
- Hodgson, D. & Cicmil, S. 2006b, 'Are projects real? The PMBOK and the legitimation of project management knowledge', in D. Hodgson & S. Cicmil (eds.), *Making projects critical*, Palgrave Macmillan, New York, pp. 29–50.
- Hodgson, D. & Cicmil, S. 2007, 'The other side of projects: the case for critical project studies', *International Journal of Managing Projects in Business*, vol. 1, no. 1, pp. 142–52. <http://dx.doi.org/10.1108/17538370810846487>
- Hubrich, D., Bund, E., Schitz, B. & Mildenerger, G. 2012, 'Comparative case study report on the state of the social economy'. A deliverable of the project: 'The theoretical empirical and policy foundation for building social innovation in Europe' (TEPSIE), European Commission, 7th Framework Programme, Brussels.
- Ika, L. & Hodgson, D. 2014, 'Learning from international development projects: blending critical project studies and critical development studies', *International Journal of Project Management*, vol. 32, no. 7, pp. 1182–96. <http://dx.doi.org/10.1016/j.ijproman.2014.01.004>
- Jäger, U. 2010, *Managing social businesses: mission, governance, strategy and accountability*, Palgrave Macmillan, London, pp. 1–320. <http://dx.doi.org/10.1057/9780230292420>
- Jałocha, B. 2012, 'Projectification of the European Union and its implications for public labour market organisations in Poland', *Journal of Project, Program & Portfolio Management*, vol. 3, no. 2, pp. 1–16.
- Kaźmierczak, T., Przybysz, I. & Podkańska, D. 2011, 'Social enterprise: stability factors', unpublished report from the first stage of research, Institute of Public Affairs, Warsaw.
- Kerlin, J.A. 2006, 'Social enterprise in the United States and Europe: understanding and learning from the differences', *Voluntas*, vol. 17, no. 3, pp. 246–62. <http://dx.doi.org/10.1007/s11266-006-9016-2>
- Khang, D.B. & Moe, T.L. 2008, 'Success criteria and factors for international development projects: a life-cycle-based framework', *Project Management Journal*, 39, pp. 72–84. <http://dx.doi.org/10.1002/pmj.20034>
- Kuura, A. 2011, 'Policies for projectification: support, avoid or let it be?' Social Science Research Network. <http://ssrn.com/abstract=1884204>
- Lechat, N. 2009, 'Organizing for the solidarity economy in south Brazil', in A. Amin (ed.), *Social economy: international perspectives on economic solidarity*, Zed Books, London & New York, pp. 159–74.
- Lindenberg, M. 2001, 'Are we at the cutting edge or the blunt edge? Improving NGO organizational performance with private and public sector strategic management frameworks', *Nonprofit Management and Leadership*, vol. 11, no. 3, pp. 247–70. <http://dx.doi.org/10.1002/nml.11302>

- Lindgren, M. & Packendorff, J. 2006, 'Projects and prisons', in D. Hodgson & S. Cicmil (eds.), *Making projects critical*, Palgrave Macmillan, New York.
- Lipsky, M. & Smith, S.R. 1989, 'Nonprofit organizations, government, and the welfare state', *Political Science Quarterly*, vol. 104, no. 4, pp. 625–48. <http://dx.doi.org/10.2307/2151102>
- Mauksch, S. 2012, 'Beyond managerial rationality: exploring social enterprise in Germany', *Social Enterprise Journal*, vol. 8, no. 2, pp. 156–70. <http://dx.doi.org/10.1108/17508611211252864>
- Maylor, H., Brady, T., Cooke-Davies, T. & Hodgson, D. 2006, 'From projectification to programmification', *International Journal of Project Management*, vol. 24, no. 8, pp. 663–74. <http://dx.doi.org/10.1016/j.ijproman.2006.09.014>
- Mendell, M. 2009, 'The three pillars of the social economy: the Quebec experience', in A. Amin (ed.), *Social economy: international perspectives on economic solidarity*, Zed Books, London & New York, pp. 176–207.
- Midler, C. 1995, "Projectification" of the firm: the Renault case', *Scandinavian Journal of Management*, vol. 11, no. 4, pp. 363–75. [http://dx.doi.org/10.1016/0956-5221\(95\)00035-T](http://dx.doi.org/10.1016/0956-5221(95)00035-T)
- Packendorff, J. & Lindgren, M. 2014, 'Projectification and its consequences: narrow and broad conceptualisations', *South African Journal of Economic and Management Sciences*, vol. 17, no. 17, pp. 7–21.
- Packendorff, J., Crevani, L. & Lindgren, M. 2014, 'Project leadership in becoming: a process study of an organizational change project', *Project Management Journal*, vol. 45, no. 3, pp. 5–20. <http://dx.doi.org/10.1002/pmj.21418>
- Rymsza, M. 2008, 'The social economy and the third sector: Poland compared to European experiences', *The Quarterly on Civil Society. Social Economy, Non-profit Sector and Social Policy: Poland and Europe*, Institute of Public Affairs, Warsaw, pp. 4–11.
- Sarpong, D. & Davies, C. 2014, 'Managerial organizing practices and legitimacy seeking in social enterprises', *Social Enterprise Journal*, vol. 10, no. 1, pp. 21–37. <http://dx.doi.org/10.1108/SEJ-05-2013-0019>
- Tesch, R. 1990, *Qualitative research: analysis types and software tools*, Falmer Press, London.
- Yin, R. 1984, *Case study research*, Sage Publications, Beverly Hills.
- Young, D.R., 2007, 'A unified theory of social enterprise', Working Paper 07-01, Andrew Young School of Policy Studies, Georgia State University, GA, pp. 1–24.
- Zappala, G. 2001, 'From charity to social enterprise: managing volunteers in public-serving nonprofits', *Australian Journal on Volunteering*, vol. 6, no. 1, pp. 41–9.