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WORKSHOP

Social Entrepreneurship: whose responsibility is it anyway?

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How social entrepreneurs can make a difference

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Mission Australia
Mission Australia is a national organisation providing community and employment services to more than 176,000 people each year. Mission Australia began almost 140 years ago with the establishment of the Sydney City Mission in 1862, formed in response to the needs of people living on the streets and in the slums of inner-city Sydney. At the same time, the Brisbane City Mission had been established independently in 1859, and Mission SA (formerly the Adelaide City Mission) in 1867. Throughout its history the Sydney City Mission has developed and evolved in response to changing social needs. As family pressures grew in the earlier part of last century, children’s homes were established; as the youth movement took off in the 60s, drop-in centres were provided for marginalised young people; and as unemployment began to rise in the late 70s, employment and training programs were established.

The 1980s and 90s saw a number of Missions from across the country (including the Hunter Mission) combine with Sydney City Mission, under the Mission Australia banner, to offer services and provide assistance to disadvantaged people Australia wide. While the Missions shared the same vision and offered some similar services, the unifying force which bound the regions together was Mission Employment. Mission Employment began back in 1978 as the Sydney City Mission’s Vocational Employment Training Scheme. The scheme grew rapidly during the late 80s and early 90s throughout New South Wales, Western Australia and South Australia (with Federal and State Government assistance). In 1998 following the privatisation of the Commonwealth Employment Service (CES) Mission Australia won a significant share of programs around the country. This expansion was increased further in the second round of tenders in 1999.

Mission Australia is now one of the largest community service organisations in Australia, with 300 services, more than 3,000 staff and 1,000 volunteers working with people who are homeless, families and children, young people, people with a disability, unemployed people, and communities more generally. Our strong historic links with communities across Australia mean we are able to deliver programs which are tailored to meet local community needs, through regional offices under a fully national structure.

Changing times for non-profits
Given the history of Mission Australia as an organisation open to change and innovation, it is no surprise that since launching its new brand in February 2000, Mission Australia has referred to itself as a ‘social enterprise’ and a ‘social entrepreneur’. The purpose of the organisation’s new brand is to:

demonstrate what we stand for, capture our particular strengths and explain ourselves to all who come in contact with us ... our commitment to rebuild communities (and) transform lives.

Mission Australia 2000
The sense of identity and vision encapsulated in the brand, enables us to communicate more effectively with the community, as well as assisting us in better understanding and negotiating our role in the changing landscape for non-profits. As William Ryan identified in his seminal article in the Harvard Business Review (1999), the new landscape for non-government organisations is marked by the following distinct features:

- the rapid growth in government outsourcing
- governments awarding contracts to providers not because of what they ‘are’ but because of what they can ‘do’
- the increasing emphasis on social service providers combining the complex project management skills of for-profits and the grassroots strengths of a community-based non-profit.

The changing landscape non-government organisations are now operating in means that organisations such as ours have been forced to review many aspects of our practices and ways of working. As Major Brian Watters of the Salvation Army stated earlier this year:

> My feeling is I don't know whether I'm seeing the death throes of the Salvation Army or the rebirth

*The Australian 25 June 2001*

In Australia non-government organisations are grappling with the new landscape in different ways and with different levels of preparedness. Some organisations, like Mission Australia, have taken note of the views of commentators like Alford who maintains:

> As traditional sources of income erode, well-managed organisations will become more creative in developing business-related enterprises. As tax-supported income for not-for-profits declines, the activities of organisations will increasingly reflect the principles of a free-market system. Not-for-profits will grow and prosper based on the principles of consumer demand, much the way in which commercial businesses do. And as in the commercial sector, if a not-for-profit organisation is presented with a demand for its services that it is unprepared to respond to and manage effectively, the organisation will falter.

*Alford (1995)*

This has led the organisation to examine the services it provides and ensure they are providing the assistance clients need now and that they can respond to the changing needs of our clients into the future. In addition we have been forced to look at greater diversity in our funding streams, including the creation of earned income streams and partnerships with for-profits to ensure the sustainability of our services.

**Social Entrepreneurs**

One important means of ensuring we can provide more innovative services, diversify our funding, and better guarantee the sustainability of the services we provide in communities has been through the encouragement of social entrepreneurship within the organisation. Mission Australia’s staff, at all levels of the organisation, exhibit entrepreneurial flair in
their work while striving to assist people in rebuilding their lives. From the staff in our services through to the CEO there is a belief that social entrepreneurs can bring positive changes to the lives of the people they work for. Indeed Mission Australia’s CEO, Patrick McClure, fits Jerr Boschee’s specific definition of social entrepreneurs as:

Non-profit executives who pay increasing attention to market forces without losing sight of their underlying missions – and that balancing act is the heart and soul of a movement that is rapidly accelerating throughout the sector.

*Boschee 1997*

And for all of our entrepreneurial staff, the broader definition of social entrepreneurs offered by the Ashoka Fellows, is appropriate:

While a business entrepreneur may thrive on competition and profit, a social entrepreneur has a different motivation: a commitment to leading through the inclusiveness of all actors in society and a dedication to changing the systems and patterns of society.

*Ashoka 2000*

An example of what this sense of entrepreneurial spirit means in an organisation like Mission Australia is apparent in the following case study of one of our social entrepreneurs – the manager of our ‘Community Café’ in Brisbane:

Sheryl has worked for Mission Australia for almost seven years, in Fortitude Valley, Brisbane. The 'Valley' is an ethnically and socio-economically diverse suburb of inner Brisbane. It contains a large population of homeless people along with growing numbers of very wealthy people, many of whom have moved into the area as part of the recent urban renewal which is occurring across Brisbane. Sheryl started work at Mission Australia in the then Brisbane City Mission soup kitchen. This was a long standing service which offered regular meals to many of Brisbane's homeless people. However, the premises the soup kitchen operated in were old and Sheryl was aware that staff were spending most of their time simply providing food to clients. While the provision of food is clearly important - there was a sense among some staff that more needed to be done; that better ways to meet the needs of the soup kitchen's clients could be found. It was also hoped that in a place as diverse as the Valley, homeless people could become a more welcome and accepted part of the community.

Sheryl spoke with clients and staff, canvassing ideas for new and innovative approaches to meeting clients' needs. Eventually, it was decided that a community café was needed - which would offer all of the services that the soup kitchen had – as well as many others. Importantly, it would also be a café which served the public. After many months seeking Council and community approval, in addition to searching for appropriate premises, a site for the café was found.

The Community Café was opened in June 2000 and is co-located with a Mission Employment office. It receives a high level of support from the community with many businesses donating food and beverages for sale, enabling the café to provide a range of low cost, high quality meals. The café caters to the range of clients Sheryl had hoped for – large numbers of homeless people along with many of the Valley’s more upwardly mobile residents. The café also offers a ‘meal credit’ system for those who might at times be unable to pay. This is based on a previous system which had operated in the soup kitchen. However, where the meal-credit system in the soup kitchen had rates of non-
repayment of up to 80% - clients in the café, who use the meal credit system, have non-repayment rates as low as 10-15%.

Clients accessing the café spend longer periods there than they did at the soup kitchen, which has resulted in the employment of a full-time case manager to work with them and help meet their needs in a wide variety of areas. The location of the café next to a Mission Employment office, is another important factor in its success. Mission Employment staff frequently refer their clients to Sheryl and her staff when they have issues to deal with other than unemployment. Similarly, Sheryl and her staff are able to encourage their clients back into work by connecting them in an informal way with Mission Employment staff.

In addition to managing the café, Sheryl has also recently designed and implemented a pre-employment training program for Mission Employment clients. To date, seven people have undertaken the course, which revolves around practical hands-on experience in the café - with four going on to employment or further training opportunities and three still working in the café.

In just over 12 months, Sheryl and her staff have been able to successfully set-up a service for homeless people as well as a contemporary café, which is patronised by all members of the community. While many former users of the soup kitchen were enthusiastic about the café from the outset, a few took some time to adjust to the idea. Now, however, all of the homeless people who used to visit the soup kitchen frequent the café. And, after hours the café is used by community groups. In fact, the café has been such a success that many clients are asking that the current hours of opening (7.30am until 3.30pm) be extended.

The idea of bringing a community together in the one place and, at the same time, offering services to some of society’s most vulnerable people is a relatively simple one. But, the genesis of the idea and its implementation are testimony to the passion and entrepreneurial vision which Sheryl exudes.

This social enterprise established by Sheryl and her staff is an example of a sustainable service which:

♦ meets the basic needs of some of the community’s most vulnerable people
♦ does not rely on hand-outs for its continuation, and
♦ achieves important social and economic outcomes for clients and the broader community.

Mission Australia staff survey
While the Community Café is a clear example of how well a social enterprise can work, and a number of Mission Australia’s other services are similarly entrepreneurial – the extent to which these kinds of enterprises and entrepreneurs are common in communities across Australia is unknown. A survey of our community and employment services staff last year sought this information, as well as information on the different types of partnerships staff had with businesses and other organisations at the local community level. Staff familiarity with the new discourse and with such features as capacity building and community economic development was also explored.

The majority of respondents (85%) said they knew of new or unusual programs or innovative enterprises operating in their area. Paradoxically, even though most responses
(69%) were from the organisation’s employment services, half of the programs identified by respondents as “innovative”, were in fact non-work related and did not involve community economic development or social enterprises as they are now being recognised. Programs cited as innovative were various, ranging from the Food Bank in Ipswich in Queensland through to the Belmont Clothes Library in Perth.

*We have set up a vocational shed – woodwork, painting, car restoration and lead lighting to get our clients engaged in an activity so that we can start working with them. Once they achieve in the shed they realise they can achieve in other areas eg: training, education and employment*

*New South Wales*

*In one particular centre where we’ve conducted Worklink we’re investigating ways of starting some sort of ‘marketable’ enterprise for the clients. There are no jobs currently available within reach so we’re having to be creative to get any outcomes*

*New South Wales*

There was a clear ideological emphasis in survey responses, on community (as opposed to economic) development, with capacity building programs like “Reconnect” commonly cited as examples of innovative, entrepreneurial programs – more frequently than income or employment generating programs.

The survey results show the extent of our services engagement in innovative programs in their local communities. They commonly contribute to the incubation of projects by helping out with design and planning, as well as ensuring the sustainability of projects through their networks and by providing advice and experience.

*One of our service managers attends the monthly meetings of the Disability Coalition and is the Mission Australia representative on the “Reconnect” Steering Committee. She also attends Business Group meetings, interagency meetings and is a Marketing Committee member for the Area Consultative committee. She is also a committed member of the Chamber of Commerce.*

*Queensland*

Interestingly, innovation was most frequently reported when staff referred to the adaptation of existing programs to local conditions, rather than in the establishment of new services. Generally, our services are extremely adaptive and many programs are “ruralised” to suit non-urban localities. Ruralisation included the adaptation of training timetables to match local transport schedules, outreach services to remote areas and altered workplace practices that allowed for climatic conditions, for example, the heat at Port Hedland in Western Australia.

A number of other programs were identified as potentially capable of local adaptation. Some of these included business enclave approaches within the horticulture and packaging area, partnerships with Community Employment Training Programs (Disabilities) and the interstate adaptation of the NSW Mature Age Workers Program. The “Common Ground” project in New York City was also mentioned.
Partnerships
The survey contained a number of questions about partnerships. In the minds of respondents, “partnerships” most commonly implied mutual goals, cooperation and sharing. Partnerships were talked about in various ways, including:

- A co-operative working relationship where each partner contributes as well as benefits
- A relationship built on trust that develops over time (with increased knowledge and understanding) in which all members are equal in status
- Forming working relationships with other organisations to support and/or complement their services

There was a strong feeling that community groups and individuals place a much greater emphasis on the value of partnerships than do businesses or governments – who were also said to rarely initiate partnerships.

Our services have regular interactions with a broad range of other services, government agencies and businesses. When looking for a partner in a new enterprise the willingness to try new ideas was the most important characteristic they looked for – along with enthusiasm and professionalism. Large organisations were unattractive as prospective partners; in fact large-scale operations of any kind were negatively regarded. In order for partnerships (and trust) to develop, staff noted that large organisations (and business across the board) need to be perceived as being of the community, not just physically located in it. In a limited sense, the larger national concerns of Mission Australia were also seen in a negative way by some of our local services when it came to dealing with local businesses. In this regard, one respondent made the following comment:

*We must avoid doing business like cooking a McDonald’s burger – to a formula, not to local realities*

**New South Wales**

It was evident that the majority of respondents thought good partnerships were built on trust and integrity. Personal or corporate ambition, “hidden agendas” and inequality were seen as the causes of partnership failure.

*Often if these enterprises fail, it seems to be the result of the initiator being unable to separate themselves from the enterprise.*

**Tasmania**

*Partnerships fail because there is too much emphasis on money and not enough on people who need the help. Too much money/time spent on corporate image and not enough time spent on building the image through active involvement.*

**New South Wales**

Trust is posited as one of the major building blocks of social capital. It stimulates and cements robust and functional links between individuals and the organised parts of society (eg, government, business and broader social networks). Trust also makes the risks involved in partnerships and relationships – both old and new – more manageable.
Clients use our service because they fear changing - they have a lack of trust in other unknown organisations.

New South Wales

The need for trust was identified in our survey as being the most important factor in partnerships. Trust was identified by 23% of respondents as the most important factor, with another 23% placing it second, and 12% placing it third. Correspondingly, it was thought that a lack of trust contributed to the failure of partnerships.

The overriding reason given for partnership failure though was personal or corporate ambition. As one of our respondents pointed out:

I have known organisations to fail, when their main emphasis is on making money, and little emphasis is placed on keeping the customer and worker happy. … If the business is not honest, truthful and caring they will not be able to sustain such an image, because their façade will eventually become so transparent that they will no longer be able to hide behind it.

Queensland

Leadership

Given that social entrepreneurship is about community leadership (whether formally recognised or not), the survey canvassed opinions about leadership. Leadership involves the ability to organise and sustain projects, as well as the ability to arouse or stimulate others to be involved – this happens “horizontally” at the local level and “vertically” as leaders utilise their links between the community and external organisations and resources. Leaders also anticipate and manage change. The larger the pool of leaders in a community, the greater the opportunities for new and innovative things to occur within that community.

Often community enterprises initially succeed because of the drive of an individual or small group of individuals who believe in a cause or concept and then implement it. Support is generated by the ability to give others an understanding of their passion. The challenge for these people is to be able to build that same passion in others and to develop an enterprise that is self-sustaining.

Tasmania

Entrepreneurs are seen as specialist leaders who can translate local comparative advantages in resources, skills or talents into new opportunities for growth and development. Our survey identified few leadership programs operating in communities. Those mentioned included Rotary, TAFE, the Australian Institute of Management and the local Chambers of Commerce. While the development of leadership and leaders is essential if social entrepreneurs are to be encouraged, our services report few instances of programs that cultivate community leadership. It is also unclear to what extent the leadership programs cited by staff emphasised the community element in community leadership development.
Above all, the survey showed that, for a large national organisation, our staff are well-connected in the communities they live and work in. This will assist Mission Australia in developing and nurturing social enterprises and social entrepreneurs at the local level – as staff have the capacity (regardless of how “big” Mission Australia is) to work from the “inside out”.

Summed up, the key findings of the Mission Australia survey are:

- In our services, there is not a uniform level of understanding of the term “social enterprise”
- Most innovative programs identified were not work related
- Many services thought it was their role to help people find jobs rather than create them
- There is a general mistrust of business (especially large corporations) and government
- There were very few leadership programs identified in communities
- The major reason for the failure of partnerships is thought to be personal or corporate ambition
- The most important characteristics of a good partnership are trust and integrity
- Regarding prospective partners, the least important attribute was being a large organisation
- Equality was identified as a major positive factor in partnerships
- There was no significant difference in findings between Community Services and Employment Services, nor between localities
- In smaller communities, there is a significant level of mistrust of “outsiders”

Being entrepreneurial – the challenges ahead
What the survey results mean for Mission Australia, and others supportive of socially entrepreneurial approaches, is that there is a long way to go before Community Cafés and their ilk flourish across Australia. While many charities and other non-government organisations have a long history of being entrepreneurial and innovative in addressing social problems – there appears to be only relatively small numbers of enterprises operating in both socially and economically entrepreneurial ways in Australia at present. This may in part be due to the dilemmas that change and particularly a change to a more entrepreneurial culture brings to non-government organisations.

As non-government organisations struggle to position themselves in a competitive environment (with for-profits increasingly involved in the delivery of government services, and growing competition between non-government organisations) they are being forced to “reconfigure their operations and organizations in ways that could compromise their mission” (Ryan 1999: 134). The temptation to focus on building the organisation to compete in an increasingly aggressive environment rather than building the organisation to better meet the needs of communities is an important challenge for non-government organisations to overcome and one which a number of larger organisations are currently facing.
In addition, the continued promotion of ‘services’ to ‘clients’ reinforces service dependency. The challenge for non-government organisations is to continue to meet the needs of their communities in ways which empower community members, by involving them in sustainable partnership opportunities. Successful community capacity building projects and partnerships involve all members equally, and work as part of the community, rather than acting on behalf of the community.
References


Ashoka (2000) What is a social entrepreneur?
   http://www.ashoka.org/fellows/social_entrepreneur.cfm

