

**SOCIAL ENTREPRENEURSHIP: AN INTEGRATED FRAMEWORK
FOR EARNED INCOME OPPORTUNITIES ADOPTION BY
NONPROFIT ORGANIZATIONS IN THAILAND**

Pawana Ankinun

**A Dissertation Submitted in Partial
Fulfillment of the Requirements for the Degree of
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ABSTRACT

Title of Dissertation Social Entrepreneurship: An Integrated Framework
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The purpose of this study is to gain an understanding of how social entrepreneurs adopt earned income opportunities to benefit their financial organization sustainability. The study seeks to 1) investigate the concept of social entrepreneurship, 2) analyze the factors that may contribute to the adoption of earned income opportunities, and 3) propose and integrated framework.

A multiple case study was preferred for this study. Purposeful sampling was particularly relevant to this qualitative study because of the small sample size. The specific sampling strategy used for this study was criterion sampling. The selection criteria were: 1) organizations should be based in Thailand for pragmatic reasons; 2) organizations should have developed earned income activities; and 3) organizations must be nonprofit. In depth interviews and document research were used to obtain the data. Key participants were selected and interviewed via using open-ended questions.

The results of the study show that various factors influence how nonprofit organizations adopt their earned income opportunities. The analysis of the interview transcripts and the observations and documents indicate that motivation factors, including perceived social legitimacy, degree of external dependence on pressuring constituents, degree of interconnected, financial constraints, and organizational context, including, top management commitment, human resources readiness, entrepreneurial orientation, and organization size and leadership, are associated with the nonprofit

organization's adoption of earned income opportunities. The researcher finds that the leadership factor is the key of success for all non-government organizations due to their specific nature. The leader determines the vision for the organization, glues all the activities, and inspires all those involved in the implementation of their plan. Leaders of the nonprofits not only make the final decision to adopt new methods of financing, but also influence all other key factors. The other factor that the researcher points out as critical is human resource readiness. This factor has not only direct effect on the earned income opportunities. However, it serves as a transmitter for many other factors like leadership, top management commitment, entrepreneurial orientation and degree of interconnectedness. This makes human resource readiness a very strong agent to bring in changes in the funding system of nonprofits.

These factors explain how nonprofit organizations have turned themselves toward the social enterprise. Nonprofit organizations adopt earned income opportunities as a vehicle to create social enterprises that combine commercial and charitable goals. The social enterprise is an alternative to the organizations' response to the environment so that they can be sustainable and survive. Earned income opportunities offer the opportunity for nonprofit organizations to establish independent supplies of resources, and these independent resource streams may be viewed as being particularly valuable to organizations that seek to be self-reliant and continue their goal of providing social services.

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SYMBOLS AND ABBREVIATIONS

Abbreviations

Equivalence

ACCT	Agriculture Certification of Thailand
ACPD	Asian Center for Population and Community Development
ATI	Appropriate Technology International
BREAD	Business for Rural Education and Development
CBATDS	Community Based
CBIRD	Community Based
CBIT	Community Based Incentive Thailand
CBERS	Community Based Emergency Relief Services
CBFPS	Community Based Family Planning Service
CSR	Corporate Social Responsibility
CTA	Chaing Rai Thai Agro Industry
FON	Friends of Nature
FPHH	Family Planning Health and Hygiene Program
FPFC	Family Planning and Parasite Control
GAA	German Agro Action
GSVC	Gender Sensitive Venture Capital
ICNPO	International Classification of Nonprofit Organizations
IPAS	International Pregnancy Advisory Services
IPPF	International Planned Parenthood Federation
JOICEP	Japanese Organization for International Co-operation in Family Planning
LDMP	Lamplaimat-Pattana Primary and Secondary School
MOPH	Ministry of Public Health
NESDB	National Economic and Social Development Board
NGO	Non Government Organization
OSHA	Occupational Safety and Health Administration

PPAT	Planned Parenthood Association in Thailand
PDC	Population and Development Company
RESD	Rural Environmental Sanitation Development Company
RSSI	Rural Small Scale Industries
TBIRD	Thai Business Initiation in Rural Development
THAIHOF	Thai Holistic Health Foundtion
TMSR	Traditional Medicine for Self-Reliance
TPI	Thai Bamboo Plait Industry
TQM	Total Quality Management
UDD	United Front of Democracy against Dictatorship
UNHCR	United Nations High Commissioners for Refugees
USAID	United States Agency for International Development
VDB	Village Development Bank
VTL	Village Toy Library
WHO	World Health Organization
WRD	Water Resources Development

CHAPTER 1

INTRODUCTION

1.1 Statement and Significance of the Problem

In recent years, social entrepreneurship has gained wide attention from both academics and practitioners all over the world. (Weerawardena and Mort, 2006: 1) There is a growing body of media reports and academic writing on the subject of social entrepreneurship. Light (2005: 1), for example has stated that “there appears to be plenty of evidence that social entrepreneurship exists, particularly when measured by the rapidly increasing number of conferences, case studies, and funders interested in the topic.” Moreover, there is also growth in social entrepreneurship courses in university circles. World renowned universities such as Harvard, Stanford, and Berkeley were the first to offer courses in social entrepreneurship in 1990 (Brock and Steiner, 2008: 2). Since then, there has been an increasing number of courses in the U.S.A. and abroad. In addition, social entrepreneurship had also occurred in diverse sectors, e.g. the financial service sectors: Grameen Bank of Bangladesh; agricultural sectors: Sekem in Egypt; energy sectors: ApproTEC (Kick Start) in Kenya; and the education and employment training sectors: Kato in Vietnam.

Social entrepreneurship employs business models for social purposes. It combines innovation, entrepreneurship, and social purposes, and seeks to be financially sustainable by generating revenue from a range of opportunities. The emergence of social entrepreneurship is increasingly acknowledged as an effective source of solutions for a variety of social problems (Sud, VanSandt and Baugous, 2009: 202). Social entrepreneurs can provide solutions by being innovative, market oriented, and socially focused (Nicholls and Cho, 2006: 103).

According to Alter (2006: 205), social enterprises are driven by two forces: 1) the desire for social change that arises from innovative entrepreneurial or enterprise-

based solutions, and 2) the sustainability of the organization and its service, which require diversification of its funding-stream, including earned income opportunities.

Nonprofit organizations have long been viewed as a primary vehicle of social entrepreneurship activities (Stevens, 2008: 11). The bridging between for-profit and nonprofit sectors explains how social entrepreneurs emerge. Dees and Anderson (2003: 16) point out that it is the increasing sector-bending between nonprofit and for-profit that blurs the distinction between them. Nonprofit organizations are increasingly adopting the strategies, concepts, and practices of the business world, for instance, value creation and opportunity seeking. Many nonprofits have become more business-like by finding ways to generate fees for services rendered. The adoption of for-profit practices encourages them toward social entrepreneurship. However, not all nonprofit organizations exhibit the characteristics of social entrepreneurship (Sullivan-Mort, Weerawardena and Carnegie, 2003: 77).

One reason that motivates the adoption of business practices, e.g. generating revenue from the nonprofit organization's activities, is the declining support from traditional philanthropic and government sources. As a result, nonprofit organizations are forced to explore alternative financing approaches. Their survival depends on the ability to replace grants by other source of income. Thus, there is a need to shift from traditional approaches to new ones. The adoption of business tools and practices by nonprofit organizations enables them to be financially independent and, at the same time, to achieve social impact. Financial independence is achieved by generating adequate income to cover an organization's costs without continued reliance on donor funding (Alter, 2006: 208).

Salamon and et al. (1999) conducted a survey to examine the status of the nonprofit sectors in twenty-one countries across five continents: North and South America, Europe, Africa, and Asia. The results show that many nonprofit organizations rely on fees and charges, which account for 48% of their funding, rather than on philanthropy from foundations, individual donors, or corporations, which account for 41% and grants from the public sector, which account for 11%. Salamon and Anheier (1999) explain that this phenomenon will direct the nonprofit to more of a market orientation, with earned income strategies more likely to be adopted in order to provide access to available resource.

It is important to point out that not only are traditional sources of funds declining, but also the number of nonprofit organizations competing for grants and subsidies and the number of people in need are increasing. Nonprofit organizations in Thailand are facing similar problems. The National Statistical Office of Thailand (2008) conducted a survey of nonprofit organizations to gather data on the costs, revenues, number of employees, their operation, etc. The results showed that the number of nonprofit organizations in Thailand increased 17.3 percent compared with the result from the previous survey in 2002. Amara Pongsapit et al. (2002) also emphasize that donors and fund supporters for nonprofit organizations in Thailand are decreasing, especially regarding external grant providers, when the economic development of Thailand created enough wealth, infrastructure, and a higher standard of living. This has forced the nonprofits to adopt earned income opportunities (Juree Vichit-Vadakan, 2002: 9).

There is evidence that several nonprofit organizations in Thailand are adopting earned income opportunities. The Population and Community Development Association (PDA), an organization with the initial aim of complementing the efforts of the Royal Thai Government in promoting family planning in Thailand, has developed sources of revenue alternatives to donor support by establishing 14 for-profit companies to generate funds for its mission of social development work. The Cabbages & Condoms Restaurants are one of the most successful among them. The Suan Kaew Foundation, a religious foundation dedicated to spreading the Buddha's teachings, as well as aid to the elderly and drug rehabilitation, generates income from food businesses, self-help courses, flea markets, the recycling of products, and herb gardens. The Thai Holistic Health Foundation aims at promoting low cost traditional medicine through educating the public about alternative paths to health. It engages in earned income opportunities by selling products, books, and handicrafts.

Nonprofit organizations play an important role in social development in several ways. There are eleven major activity groups regarding economic activity according to international classification of nonprofit organizations (ICNPO). The classification system includes culture and recreation, education and research health, social services, environment, development and housing, law advocacy and politics,

philanthropic intermediaries and voluntarism promotion, international religion, business and professional associations, and unions.

Besides resource constraints, there are institutional pressures that organizations draw on for acceptance and support. This institutional environment may push organizations to adopt accepted strategies, which is considered earned income opportunities in this study. Institutional theory provides perspectives on the sociological context in the emergence of new organizational forms. Even though most studies focus on resource constraints (Emerson and Twersky, 1996; Dees and Anderson, 2003), there is a need for studies that address the institutional context, which could contribute to the field of study. Institutional theory can offer additional explanations of social enterprises.

In sum, this study intends to examine how nonprofit organizations adopt earned income opportunities and the factors that may contribute to the adoption of these opportunities. This may help social entrepreneurs understand the conditions necessary to meet the demands that constrain the organization and how they can use earned income strategies in response to constrained environments.

Research on social entrepreneurship has grown rapidly in recent years. However, it is still a controversial issue as to whether or not social entrepreneurship is an independent field of research. Moreover, as an emergent field, social entrepreneurship research lacks clear theoretical boundaries (Mair and Marti, 2006: 13). This study can enhance the knowledge of social entrepreneurship through theoretical lenses. By combining the two theories, institutional and resource dependency theory, it is possible to explain the factors that contribute to the adoption of earned income opportunities, and show how they are adopted and used in social enterprise as a means to gain financial freedom and sustainability.

In addition, the results of this study will have practical implications that may help social entrepreneurs achieve their mission and consequently help improve their social impact.

1.2 Purpose of the Study

The purpose of this multiple case study is to gain an understanding of how social entrepreneurs adopt earned income opportunities to benefit their organizations' sustainability. The study seeks to 1) investigate the concept of social entrepreneurship, 2) analyze the factors that may contribute to the adoption of earned income opportunities, and 3) propose an integrated framework of earned income adoption.

1.3 Research Questions

In order to better understand the central phenomenon of the relationship between institutional factors, legitimacy factors, resource constraints, and entrepreneurial orientation and the adoption of earned income opportunities, the researcher seeks to answer the following central research question: How do social enterprises adopt earned income opportunities? In an effort to effectively analyze this relationship, the researcher addresses the following sub-questions:

1.3.1 How do social entrepreneurs describe the legitimacy factors that contribute to the adoption of earned income opportunities?

1.3.2 How do social entrepreneurs describe the pressuring constituents that contribute to the adoption of earned income opportunities?

1.3.3 How do social entrepreneurs describe the degree of interconnectedness that contributes to the adoption of earned income opportunities?

1.3.4 How do social entrepreneurs describe the financial constraints that contribute to the adoption of earned income opportunities?

1.3.5 How do social entrepreneurs describe the top management commitment that contributes to the adoption of earned income opportunities?

1.3.6 How do social entrepreneurs describe the human resource readiness that contributes to the adoption of earned income opportunities?

1.3.7 How do social entrepreneurs describe the entrepreneurial orientation that contributes to the adoption of earned income opportunities?

1.3.8 How do social entrepreneurs describe the organization size that contributes to the adoption of earned income opportunities?

1.3.9 How do social entrepreneurs describe the leadership that contributes to the adoption of earned income opportunities?

1.4 Limitations

The research is limited to purposeful and theoretical sampling. Case studies provide an opportunity to examine the contextual reality of events or conditions and their relationships (Truitt, 2007: 7). The research selected only three case studies due to the limited resources and time constraints. The small sample size will result in, to some extent, limited ability to generalize the findings of this study to other organizations. However, the purpose of the study is to explore and describe the motivations and theoretical frameworks that might explain why nonprofits adopt earned income opportunities.

Another limitation is that this study may have omitted other factors that might explain organizations' adoption of earned income opportunities due to the lack of previous studies that indicate a relationship among factors that contribute to the adoption of earned income opportunities in the nonprofit organization.

CHAPTER 2

LITERATURE REVIEW

This chapter provides the background for this study. In the first section, the definition of social entrepreneurship is discussed. From the second to fourth sections, the issue of the nonprofit organization as social enterprise, the distinction from other forms of organizations, and the emergence of social entrepreneurship are discussed. In the fifth section, earned income opportunities are discussed, and the previous research on social entrepreneurship is presented in the sixth section. In addition, the seventh to eleventh sections provide the theoretical background for this study: institutional theory, legitimacy, resource dependence theory, combination of the theories, organizational context, and leadership.

2.1 Definition of Social Entrepreneurship

The concept of social entrepreneurship has taken on a variety of meanings (Dees, 2001: 1). A large number of definitions, focusing on different aspects and dimensions, have been offered by researchers. It is important, therefore, to note the conceptual differences between definitions. According to Mair and Marti (2006: 38), the definitions of social entrepreneurship typically refer to a process or behavior, whilst definitions of social entrepreneur focus on the founder or individuals of the initiative, and definitions of social enterprise refer to the organization of the social entrepreneurship. See Table 2.1 for a sample of the definitions.

Table 2.1 Definitions of Social Entrepreneurship

Author	Definition
SOCIAL ENTREPRENEURSHIP	
Fowler (2000: 649)	Social entrepreneurship is the creation of viable (socio-) economic structures, relations, institutions, organizations, and practices that yield and sustain social benefits.
Johnson (2000: 1)	Social entrepreneurship is emerging as an innovative approach for dealing with complex social needs. With its emphasis on problem solving and social innovation, socially entrepreneurial activities blur the traditional boundaries between the public, private and nonprofit activities.
Dees (2001: 4)	Social entrepreneurs play the role of change agents in the social sector, by adopting a mission to create and sustain social value, recognizing and relentlessly pursuing new opportunities to serve the mission, engaging in a process of continue innovation, adaptation and learning; acting boldly with that being limited by resources currently in hand, and exhibiting heightened accountability to the constituencies served and for the outcomes created.
Sullivan-Mort, Werawardena, and Carnegies, (2003: 76)	Social entrepreneurship is a multidimensional construct involving the expression of entrepreneurially virtuousness behavior to achieve the social mission, a coherent unity of purpose and action in the face of moral complexity, the ability to recognize social value-creating opportunities and key decision-making characteristics of innovativeness, proactiveness and risk-taking.
Pomerantz (2003: 25)	Social entrepreneurship can be defined as the development of innovative, mission-supporting, earned income, job creating or licensing, ventures undertaken by individual social entrepreneurs, nonprofit organizations, or nonprofit in association with for-profits.
Lasprogata and Cotton (2003: 69)	Social entrepreneurship is the nonprofit organization that applies entrepreneurial strategies to sustain themselves financially while having a greater impact on their social mission (i.e. the double bottom line).
Alvord et al. (2002: 262)	Social entrepreneurship creates innovative solutions to immediate social problems and mobilizes the ideas, capacities, resources, and social agreements required for sustainable social transformations.
Mair and Marti (2005: 36)	Social entrepreneurship is viewed as a process involving the innovative use and combination of resources to pursue opportunities to catalyze social change and/or address social needs.

Table 2.1 (Continued)

Author	Definition
Austin, Stevenson, and Wei-Skillern (2006: 2)	Social entrepreneurship is innovative, social value creating activities that can occur within or across the nonprofit, business, and public sectors.
Light (2008: 12)	Social entrepreneurship is an effort by an individual, group, network, organization, or alliance of organizations that seeks sustainable, large-scale change through pattern-breaking ideas in what governments, nonprofits, and businesses do to address significant social problems.
Robinson (2006: 95)	Social entrepreneurship is defined as a <i>process</i> that includes: the identification of a specific social problem and a specific solution to address it; the evaluation of the social impact, the business model and the sustainability of the venture; and the creation of a social mission oriented <i>for-profit</i> or a business oriented <i>nonprofit</i> entity that pursues the double bottom line.
Perrini and Vurro (2006: 78)	Social entrepreneurship is a dynamic process created and managed by an individual or team, which strives to exploit social innovation with an entrepreneurial mindset and a strong need for achievement in order to create new social value in the market and community at large.
SOCIAL ENTREPRENEUR	
Bornstien (1998: 36)	Social entrepreneur is a path breaker with a powerful idea, who combines visionary and real world problem-solving creativity, who has a strong ethical fiber and who is totally possessed by his or her vision for change.
Reis (1999: 3)	Social entrepreneurs create social value through innovation and leveraging financial resources- regardless of source- for social economic and community development. The expectations for nonprofits to provide services and achieve social change at a large scale while also diversifying funding resources, and motivating social entrepreneurs to invent organizations that are hybrids of nonprofit and for-profit structures.
Schwab Foundation (2008)	Social entrepreneur is defined as someone who identifies and applies practical solutions to social problems, innovates by finding a new product, services or approach...; focuses on social value creation ; resists being trapped by the constraints of ideology or discipline; and has a vision, but also a well thought out roadmap as to how to attain the goal.

Table 2.1 (Continued)

Author	Definition
Thompson, Alvy and Lees (2000: 328)	Social entrepreneurs are people who realize where there is an opportunity to satisfy some unmet need that the state welfare system will not or cannot meet, and who gather the necessary resources (people, volunteers, money and premises) and use these to “make a difference.”
Canadian centre for social entrepreneurship (2001: 2)	Social entrepreneurs are energetic individuals, with higher than average tolerance for uncertainty, and a willingness to pursue their goals in spite of initial obstacles or lack of resources. They can be found in private public and not-for-profit sectors.
Thompson (2002: 413)	Social entrepreneurs are the people with the attitude of business entrepreneur but operating in the community. They act more as caretakers of the society rather than as businessmen making money.
Dart (2004: 13)	Social entrepreneur is defined as strategic responses to many of the varieties of environmental dynamics and challenges that nonprofit organizations have faced.
Ashoka (2000)	Social entrepreneurs are individuals with innovative solutions to society’s most pressing social problems. They are ambitious and persistent, tracking major social issues and offering new ideas for wide scale change.
SOCIAL ENTERPRISE	
Borzaga and Defourney (2001: 16)	Social enterprises are normally not engaged in advocacy activities as a major goal or in the redistribution of financial flows, but they are directly involved in the production of goods or the provision of services to people on a continuous basis.
Haugh (2005: 347)	Social enterprises are businesses that trade for social purpose. They combine innovation, entrepreneurship and social purpose and seek to be financially sustainable by generating revenue from trading. Their social mission prioritizes social benefit above financial profit, and if and where a surplus is made, it is used to further the social aims of a beneficiary group or community, and not distributed to those with a controlling interest in the enterprise.

From the definitions above, it can be seen that some writers define social entrepreneur as bringing business expertise and market based skills to the nonprofit sector in order to help this sector become more efficient in providing and delivering its services (Young, 1980; Reis 1999; Lasprogata and Cotton, 2003; Pomerantz, 2003).

McLeod (1997: 101) explains it as nonprofits running for-profit business and transferring the earnings back into social service problems, with nonprofits adopting private sector management techniques in order to gain efficiency.

Some authors refer to social entrepreneurship as the not-for-profit response to environmental pressures, for instance, an increase in financial pressure on social purpose or a decrease in public and private grants and donations to create social value (Dart, 2004). As Boschee and McClurg (2003: 1) state:

“The rules of the game of nonprofits have changed dramatically during the past twenty years. Operating cost have soared, resources available from traditional sources have flattened, the number of nonprofits competing for grants and subsidies have more than tripled, and the number of people in need has escalated beyond our most troubling nightmares, smart nonprofit manager and board members realize they must increasingly depend on themselves to insure the survival ...”

Some scholars view social entrepreneurship as a means to alleviate social problems and to catalyze social transformation (Alvord et al., 2002, Ashoka, 2000; Schwab foundation, 2008; Dees, 2001). It is the innovativeness of this approach that defines the concept of social entrepreneurship.

There is another group of social scientists that explain social entrepreneurship as innovation contributing to social change, with the creativeness and innovative orientation typical of the business entrepreneurial process (e.g. Mair and Marti, 2006; Johnson, 2000; Thompson, et al., 2000; Austin et al., 2006, Light, 2008, Perrini and Vurro, 2006). This can occur within the public, private or nonprofit sectors and can be a hybrid model of both for-profit and nonprofit activities as well as cross-sectoral collaboration.

This conceptualization suggests that social entrepreneurship can take a variety of terms, including innovative nonprofit ventures and social purpose business ventures, e.g. for-profit community development banks (Johnson, 2000: 6).

Fowler (2000, 645-646) highlights three broad categories of social entrepreneurial activities. First, “integrated social entrepreneurship” refers to economic activities that are designed to generate social outcomes and create social benefits and economic linkages, e.g. Grameen Bank in Bangladesh. Second, “re-interpretation” refers to a nonprofit capacity that is utilized to reduce costs, or increase income streams, e.g. an organization with the mission of delivering meals to the elderly and finding a market niche for delivering (for-profit) meals to an affluent elderly clientele. Third, “complementary social entrepreneurship” refers to not-for-profits which add a for-profit division that in itself does not yield social benefit directly, but offsets the costs of the nonprofit social mission.

In spite of the varying definitions of social entrepreneurship, a commonality emerges from those definitions. The social mission is expressed in different terms of social change, social transformation, social value creation, social impacts or social outcomes, and the social mission is the key in every definition. Moreover, this social mission supersedes profit and wealth creation, such that the pursuit of double or triple bottom lines is the goal of social entrepreneurship.

In concert with these definitions, the definition utilized in this research is that the social enterprise is an organization that employs a business model for social purposes. The social enterprise also pursues a double or triple bottom line with its social mission giving priority to social benefits over financial profit, and with any financial surplus being used to further the social aims of the beneficiary group or community, and not distributed to those with a controlling interest in the enterprise.

2.2 Nonprofit Organization as Social Enterprise

The nonprofit sector has long been engaged with social entrepreneurship. Roper and Cheney (2005: 98) state that “many social organizations, community initiatives and social advocacy groups have started and sustained their activities all over the world through the passion and creative work of people that align themselves with the concept of entrepreneurship.” Nonprofit organizations engaged in entrepreneurial activities are viewed as social enterprises, though there is a debate among scholars regarding the extent to which for-profit social entrepreneurs need to

emphasize social activity to be viewed as a social entrepreneur (Stevens, 2008: 37), i.e., whether private organizations that engage in corporate socially responsible activities are considered social enterprises. A number of scholars, e.g. Thompson et al. (2000); Boschee and McClurg, (2003), and Sullivan-Mort et al., (2003), argue that nonprofit organizations are the primary home of social entrepreneurship. However, others argue that organizational forms should not be a defining characteristic of social entrepreneurs (Dees, 1998, Mair and Marti, 2006). At the same time, not all nonprofit organizations act in an entrepreneurial manner, as not all for-profits engage in innovative, risk-taking activities. Some argue that social enterprises have emerged as a strategic response to many challenges, e.g., an increasing competitive environment and diminishing support from government funds and donations that nonprofit organizations face at present (Dart, 2004; Sullivan-Mort et al., 2003; Thompson, 2002).

2.3 Distinguishing Social Entrepreneurs from Others

Although there is agreement that traditional business and social enterprises have some characteristics in common (innovative, high energy, vision-driven, passionate and opportunistic), it is important to distinguish between them. This will help to conceptualize the term, capture the unique characteristics and facilitate research. Thalhuber (1998: 1 quoted in Johnson, 2000: 8) differentiates traditional for-profit entrepreneurs from social entrepreneurs according to four criteria: their strength, their focus, their mission, and how they consider their profit. Social entrepreneurs draw their strength from collective wisdom and experience rather than from competency and knowledge. They focus on long-term capacity rather than short-term financial gain. Their ideas are limited by the mission and they see profit as a means to social services rather than as an end to be reinvested for future profit.

Boschee and McClurg (2003: 3) point out that social entrepreneurs differ from traditional entrepreneurs in two ways:

Traditional entrepreneurs act in a socially responsible manner, for instance, using environmentally safe materials, donating money to the needy, treating employees with respect; however, their efforts are not in direct response to social

problems. On the other hand, social entrepreneurs are different because their earned income strategies have a direct impact on social problems, for instance, working with the poor, and disadvantaged.

The achievement of traditional entrepreneurs is measured by financial results; and their success or failure is determined by the ability to generate profits for the owners. In contrast, social entrepreneurs are driven by creating social value.

Austin et al. (2006: 3) view the distinction between social and business entrepreneurship as not dichotomous but rather continuous. They compare and contrast social and commercial entrepreneurs in four aspects:

Market failure creates different opportunities for social and commercial entrepreneurs. Social entrepreneurs consider market failure as an opportunity because it causes social problems, while commercial entrepreneurs consider it as a problem.

The mission or fundamental purpose of social entrepreneurs differs from that of commercial entrepreneurs. Social entrepreneurs aim to create social value for the public good, whereas commercial entrepreneurs aim to achieve a profitable private gain.

The main challenge for social entrepreneurs is the mobilization of both human and financial resources, while it is only part of the challenge for commercial entrepreneurs. Commercial entrepreneurs have the financial resources to recruit and retain employees; however, social entrepreneurs are hardly able to pay market rates for staff they often rely on volunteer staff.

The performance of business entrepreneurs is easier to quantify than the social impact of social entrepreneurs.

Mair and Marti (2006: 40) argue that the main differences between business entrepreneurs and social entrepreneurs lie in economic and social wealth creation. They explain that business entrepreneurs view social wealth as a by-product of the economic value created, while social entrepreneurs give higher priority to social value creation than earned income. Moreover, social entrepreneurs, especially those that address basic social needs, have limited ability to capture the economic value created because their customers cannot afford the products or services.

Shaw and Carter (2007: 431) draw a comparison between for-profit and social entrepreneurs and find five key differences: opportunity recognition, local network

embeddedness, financial risk and profit, credit for success, and creativity and innovation. Firstly, social entrepreneurship, with regard to opportunity recognition, is distinguished by its focus on unmet social needs. Secondly, social entrepreneurs not only maximize local network embeddedness, but also utilize networks to build local credibility and support for their social enterprise. Third, social entrepreneurs do not seek profit maximization for personal gain by investing their personal finances but rather invest in personal local creditability and reputation. Therefore, failure or success does not imply financial loss or gain but loss of personal credibility or, if successful, increased social and human capital through an enhanced personal reputation. Fourth, social entrepreneurs share credit for success with a collective of volunteers and beneficiaries, while for-profit entrepreneurs believe only in the consolidating of their ownership role. Lastly, social entrepreneurs' creativity and innovation differ from those of for-profit entrepreneurs in that they apply novel solutions to solve social problems.

Nicholls and Cho (2006: 107) distinguish social entrepreneurship from conventional entrepreneurship in three aspects: social dimensions, market orientation, and innovation. In the case of social dimensions, social entrepreneurship links the instrumental means of entrepreneurship and its characteristics to social objectives.

The second aspect that they use to differentiate the social enterprise from other social organizations and public organizations is market orientation. Many social organizations do not have market orientation, but social entrepreneurs recognize the value of market orientation and employ it to the effective and efficient use of resources toward a social objective.

Prabhu (1999: 142) points out that the essential differences between social and economic entrepreneurs in the following way. 1) Social entrepreneurs commit to changing their environment as a first mission, not just to produce a product or service to ensure their financial viability. 2) Their activities are justified by value and ideologies. 3) The core activities of social enterprises are at the organization boundaries, while the externalities are often more significant to the economic enterprise. 4) Resource allocation of the decision-making authority of the social enterprise may be located externally because ownership and funding are from external sources. 5) The success of social entrepreneurship is measured in terms of qualitative

change rather than quantitative growth. This means that when its mission is achieved, it needs to find a new mission to legitimize its survival.

Shaw and Carter (2007: 419) point out the differences between social enterprises and for-profits in that “social enterprises operate within complex environments that require them to adopt an open approach to that environment.” For this reason, they desire to develop long-term relationships with their client groups and other stakeholders in their environment. Moreover, rather than relying on donations and sponsorship, social entrepreneurs seek to use business activities to achieve social goals and financial self-sufficiency. This might demonstrate a similarity with the for-profit enterprise, but the commitment to social aims and the adoption of social ownership structures suggest that their process might be different. Social entrepreneurs also hold a strong ethical value compared to the business entrepreneur. This ethic guides them to ensure that the money is well spent and committed to the work of their enterprise.

In addition to the distinction between social entrepreneurship and business entrepreneurship, others have attempted to distinguish it from nonprofits. This distinction is not easy and some researchers do not agree with this distinction

Dart (2004: 415) notes that the social enterprise or social entrepreneurial organizations differ from traditional nonprofit in that they blur the boundaries between nonprofits and for-profits, and that they engage in hybrid nonprofit and for-profit activities. They change from conventional nonprofits to social enterprises, from distinct nonprofits to hybrid nonprofit-for-profits, from pro-social mission bottom line to a double bottom lines or triple bottom line of mission, and money, and environment, from conventional nonprofit services to the use of entrepreneurial and corporate planning and business concepts, and from a dependence on donations, member fees, and government grants to an increased focus on earned income revenue and return on investment.

Boschee and McClurg. (2003: 5) suggest that the culture of a traditional nonprofit is vastly different from the culture of an entrepreneurial nonprofit. Social entrepreneurs have higher risk tolerance, a greater appreciation of margins, and an eagerness to compete. Traditional nonprofits distrust the capital markets, and prefer collaboration to competition. Similar to Dart (2004), in their view the traditional

nonprofit has been driven by a dependency model, relying on philanthropy, voluntarism, and government subsidy; however, social entrepreneurs not only welcome philanthropy, voluntarism and funds, but also rely on earned income so as to be self-sufficient.

Kong (2010: 160) considers that social enterprises are more flexible than traditional nonprofit organizations in terms of raising capital through commercial revenues and business activities. Therefore, they gradually become self-financing through growth, making the organization less dependent on donations and grants.

In summary the differences among commercial enterprises, social enterprises, and nonprofits are present in Table 2.2.

Table 2.2 The Differences among Business Enterprises, Social Enterprises, and Nonprofits

	Business enterprises	Social enterprises	Nonprofits
Basic Philosophy	Driven by economic value. Market failure is considered as a problem.	Driven by both social value and economic but give priority to the former. Market failure is considered as an opportunity.	Driven by social value.
Resources	Partially mobilizing financial and human resources. Rely solely on business activities.	Mobilizing both financial and human resources and its characteristics to social objectives. Rely on both business activities and donations to achieve financial sustainability. Ethic value guides the commitment to work.	Rely on donations and sponsorship. Ethic value guides the commitment to work.
Management Process	Apply innovation for profit maximization. The success is	Apply innovation to solve social problems.	Prefer collaboration than competition. Located in non-

Table 2.2 (Continued)

	Business enterprises	Social enterprises	Nonprofits
	centralized to the role of entrepreneurs. Higher tolerance risk. The success is measured in terms of quantitative financial result. Located in market orientation.	Utilize and maximize network to build support and credibility. The success is measured in terms of qualitative social change. Success for success is shared with beneficiaries. Use business planning. Eager to compete. Recognize the market orientation.	market orientation. The success is measured in terms of impact on social problem.
Goals	Aim to achieve economic value. Business activities are to generate profit to the owners.	Aim both at creating social value and economic value but give priority to social benefit. Earn income strategies is link to social objectives or social problems.	Aim only at social mission.

2.4 The Emergence of Social Entrepreneurship

The term social entrepreneurship became more familiar when it began to appear routinely in both scholarly and popular media in the early to mid-1990s. A number of authors, such as Dees (2001).; Boschee and McClurg, (2003).; Bornstien, 1998, and Austin et al., (2006) still view social entrepreneurship mainly in the not-for-profit realm; however, more recent studies have shifted the focus away from the solely not-for-profit and highlight the blurred boundaries between not-for-profit and for-profit (Leadbeater, 2001; Alter, 2006). The meaning can range from “starting a not-for-profit” to “not-for-profit organizations starting for-profit and earned income,” to business organizations which integrate social responsibility into

their operations (Wolk, 2007: 158). Alter (2007) illustrates the range of meaning as a typology as shown in Figure 2.1.

Traditional Nonprofit	Nonprofit with income Generating Activities	Social Enterprise	Socially Responsible Business	Corporation Producing Social Responsibility	Traditional For-profit
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Figure 2.1 Typology of Social Entrepreneur.

Source: Alter, 2007: 14.

Leadbeater (2001: 9) argues that social entrepreneurial initiatives tend to stem from private public and nonprofit sectors. He explains that the welfare state as a symbol of social progress in the post-war world is criticized for being inflexible, bureaucratic, dehumanizing, and empowering. Thus, society can progress by restoring a sense of social cohesion. New ways of delivering welfare are needed by looking beyond the traditional welfare state and the voluntary sector.

Consequently, it is the social entrepreneur that can create this new form of welfare by combining new ideas from three main forces. First, the public sector has shifted its practices. As Osborne and Gaebler (1992: 25) indicate “the government is increasingly steering rather than rowing and emphasizing cost-effective results over bureaucratic rules. There is a trend to a citizen-centered, results-oriented, market based approach. In response, government agencies are more reliant on nonprofit and private service providers to deliver welfare by contracting-out, local empowerment, and allocation of grant funds.” Second, the private sector contributes to the well-being of society by developing and distributing products and services, creating jobs, and building the wealth of the nation. However, it is increasingly engaging in social activities since it is facing new demands in terms of business ethics. Third, the voluntary sector has a traditional role in engaging individual activities to achieve social goals, though, it is still limited by its ability to sustain or scale up. In order to do that it increasingly employs business practices in the area of social welfare. The combination of the three forces are illustrated in Figure 2.2.

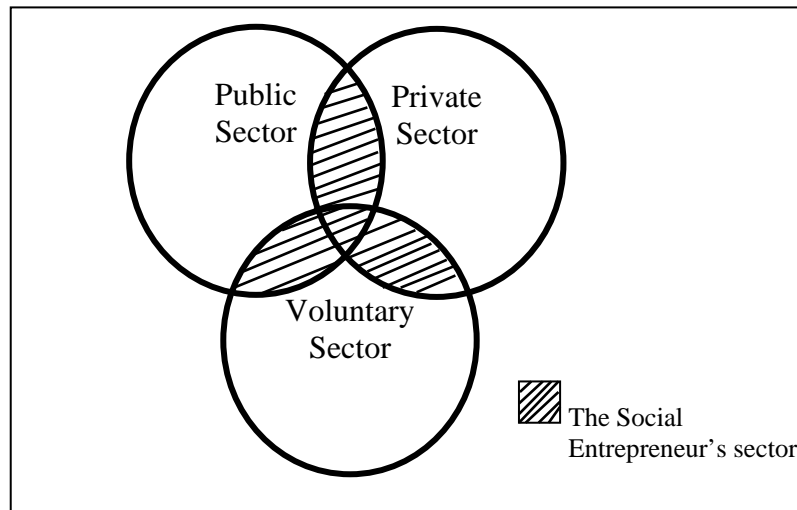


Figure 2.2 Sources of the Social Entrepreneurs' Sector.

Source: Leadbeater, 2001: 10.

As each sector has overlapped with the boundaries of the others, this has given rise to a new phenomenon there is an increase in public and private partnerships to do more of the government's work (Goldsmith and Eggers, 2004: 23). At the same time there is an increase in earned-income ventures, which nonprofits develop as business-practices to generate revenue. There is also a corporate social responsibility movement that makes the private sector account able to some extent for the community, the environment, and its own labor force.

Wolk (2007: 166) proposes that there are three essential components of social entrepreneurship that are characteristic of all these sectors: 1) response to market failures, 2) transformative innovations, and 3) financial sustainability. In the first component, social entrepreneurs address social problems arising from market failure in which profitable markets are unavailable, insufficient, or underdeveloped. Since there is a lack of opportunity to generate profit, business entrepreneurs will leave it to the government to fulfill unmet market and social needs. Social entrepreneurs consider this as a source of opportunities to create social value, unlike businesses which create economic value. In order to respond to market failure, social entrepreneurs use three different approaches: no market, limited market and low-profit market. The no-market approach is selected to target the beneficiaries of the product or service that are unable or unwilling to pay, for example, training programs for prisoners.

The limited market approach is selected when beneficiaries have some ability to pay. Social entrepreneurs can earn some revenues from the clients, for instance, with programs for low income clients that need any type of training to get a better job, e.g. getting a truck driver's license. The low-profit market approach is selected when the beneficiaries have the ability to pay the full cost but the market is underdeveloped or the return on investment is low.

With regard to the second component, transformative innovation and social entrepreneurs are considered as change agents, creating large social change through breakthrough ideas. These new ideas involve new technology, services, sources of supply, distribution outlets, methods of production, and financing methods. It also means starting new organizations. They can be either completely new inventions or the creative adoption of existing ones (Peredo and McLean, 2006: 56). The last component is characterized as financial sustainability, with social entrepreneurs seeking financial sustainability from two sources: nonfinancial resources and predictable revenue sources. The nonfinancial resources are skilled or unskilled volunteers. The predictable revenues sources come from foundations, individuals, governments, corporations, and fee-based and earned income. The accessibility of these sources of financial sustainability depends on the organization's approach to addressing social problems.

2.5 Earned Income Opportunities

2.5.1 Definition of earned income opportunities

The term "earned income opportunities" is one of the most widely discussed concepts in social entrepreneurship. Some consider it to be a key characteristic (Boschee and McClurg, 2003); others consider it to be a powerful tool of social entrepreneurs (Anderson and Dees, 2006: 144). The term has been applied to all revenue generating opportunities in organizations, especially in the nonprofit sector.

Zietlow (2001: 20) indicated that the National Center for Social Entrepreneurs defines earned income strategies as "fees for service provided, revenue from direct product sales, payment of service contracts, course fees, tuition, consulting contracts, rent or lease payment."

Earned income opportunities have been increasingly urged upon nonprofit organizations as a possible means to recover lost funding. By nature, nonprofits rely on donations and grants. Donations are more likely to come from corporations and individual benefactors, while grants are most likely to be granted by public institutions, governments, and private foundations. However, those two sources of funding of nonprofit organizations are decreasing due to reductions in government funding. The shift to earned income opportunities has played an important role in nonprofit organizations. Salamon (1999) indicates that in 1998, 43% of income for nonprofit social service firms in the USA came from fees and charges, exceeding both the amount provided by government and private donors.

Alter (2006: 203) suggests two primary sources of income generation of nonprofit organizations: cost recovery and earned income. Earned income approaches are a function of operations, and they may be implemented in social enterprises when accompanying a business plan.

Young (1998) characterizes earned income opportunities in relation to their mission, ranging from mission-enhancing activities to mission-neutral activities, to those earned income strategies that actually interfere with the mission. Alter (2006: 209) classifies earned income opportunities into three stages: 1) it may be embedded in the organization's programming and business activities (mission-centric); 2) it may overlap with the organization's vision, but not tied to operations (mission-related); and 3) it can be external to both the organization and its process (mission-unrelated).

Some have characterized earned income as a form of self-sufficiency. Boschee and McClurg (2003:1) describe earned income as the only tool for social entrepreneurs to be self-sufficient and it is the ultimate goal of the ambitious social entrepreneur. Emerson and Twersky (1996) suggest that nonprofits managing social ventures are inevitably drawn towards permanent ventures as the earned income opportunity requires the establishment of services, staffing, and management that present a significant start-up cost. As a result, they may rely on customer support to recover those costs. However, the self-sufficiency view of earned income opportunities has been criticized by Anderson and Dees (2006). They argue that every organization is dependent on outsiders for resources and support, for instance, earned incomes

from customers. Social enterprises with earned income are still dependent on suppliers for key inputs, on labor markets, or on investors for capital, all of which are similar to commercial business. The value behind the self-sufficiency view is that, regarding market orientation, being independent of customers is better than being independent of foundations, donors, or the government. Moreover, they emphasize that earned income is a very important part of the financial mix for entrepreneurs, and it is recognized as a diversified funding strategy (Anderson and Dees, 2006: 147).

Skloot (1983) suggests five types of earned income opportunities: program-related functions, program-related services, staff and client resources, and physical assets and intellectual property. Program-related functions are activities that are tied with organizational function and serve the organization's mission. They may include products. Program-related services generate revenue through service provision in or at the site of mission, such as museum gift shops; staff and client resources rely on organizational capabilities to generate revenue, for instance, a counseling organization. Physical assets can be used to generate revenue by collecting fees or rents, e.g., fees for using facilities. Intellectual property can be a source of revenue through licensing.

Alter (2006: 204) describes social enterprise models from the perspective of the relationship between social enterprises' business activities and social programs, the purpose, and the mission orientation. Alter proposes seven operational models of social enterprises. The first model is the entrepreneurial support model. The social enterprise seeks financial sufficiency by providing sales and services to clients. The second model is the market intermediary approach. By linking clients to other products or to the service market, social enterprises help their clients to develop and purchase their clients' products at fair prices and to sell them for profit. The third model is the employment model, in which the social enterprises provide employment opportunities and job training to their target population, for instance, the disabled, the unemployed, and sell products or services to achieve the organizations' financial sustainability.

The fourth model is the fee-for-service model. The social enterprises charge fee from their services provided to firms or communities. This is considered a cost recovery mechanism of nonprofit organizations. The fifth model is the service subsidization model, in which the social enterprises sell products or service to

external market and use the income to fund their social services programs. The sixth model is the market linkage model, in which social enterprises act as a broker linking buyers to producers and vice versa, and charge fees for their service as a trade facilitator. The last model is the organizational support model, in which social enterprises establish their business for financial benefits. The business activities of social enterprises are not necessarily related to their social programs.

In sum, the earned income opportunities to be addressed in this study are defined as revenue-generating products, services, or activities, that are a source of funding for nonprofit organizations, and these earned income opportunities should not be temporary, or random activities, but rather an ongoing process that is embedded in the organization.

2.5.2 Research on Earned Income Opportunities

Massarsky and Beinhacker (2002) conducted an online survey to investigate nonprofit organizations. It included a wide range of nonprofits, from small to large, new to old, and diverse types of organizations, e.g., human services, public society, education, health, arts and culture, environment, and religious. A total of 519 nonprofit organizations participated in the survey, of which forty-two percent were at the time operating an earned income venture, five percent were no longer operating a profit-making venture, and fifty-five percent had never operated a revenue-generating enterprise. Complemented by an interview with experts, the survey aimed to develop greater understanding of the resources available for nonprofits operating for-profit business and of the key factors for success. The results highlighted a number of important features. The survey discovered that commercial opportunities might vary by type of organizations, and demographic features, e.g., operating years, annual budget, and number of employees. The preparation of a business plan had a significant impact on the success of a venture; half of the respondents had a business plan before launching the business. Profit-making businesses not only had a positive impact on revenue generation but also a side effect on the organization's reputation, entrepreneurial culture, and the ability to attract and retain donors and staff.

Unzueta (2004) examined 105 nonprofit organizations with a revenue-generating business. The results showed that forty-two percent of those ventures were

profitable, while twenty-seven percent and thirteen percent were break-even or operated at a loss. It also highlighted the strong relation between mission and earned income activities. The alignment of these factors may have some benefits to the organizations. Unzueta suggests that the earned income activities tend to be more beneficial to nonprofit organizations than a drawback.

Guo (2004) studied the transition of human service nonprofits. The study aimed to understand the factors associated with the commercialization of those organizations. These factors included several organization characteristics: years of operation, number of full-time employees, annual budgets, percentage of income from government funding, percentage of income from private giving, and organization outcomes. It found that commercialization was a consequence of decreases in donated revenues and a cause of changes in an organization's performance, e.g., the organization's self-sufficiency, ability to attract and retain staff, and reputation. However, it did not contribute to the ability to retain donors or volunteers, the organization's mission, or program or service delivery. Nonprofit organizations engaging in commercial activities generally have longer years of operation, relatively large budgets, and a larger staff (Young, 1998).

Carroll and Stater (2008) investigated how revenue diversification leads to greater stability of nonprofit organizations. The findings suggest that nonprofits can reduce their revenue volatility by equalizing their reliance on earned income, investment, and contributions. Moreover, their study also revealed several other important factors that contribute to nonprofit revenue stability; for instance, larger nonprofits and organizations with greater growth potential experience greater revenue stability.

2.6 Previous Research on Social Entrepreneurship

Social entrepreneurship has recently gained an awareness and interest among researchers; however, the research literature is still scattered (Douglas, 2007: 3).

2.6.1 Defining the Social Entrepreneurship Stream

The early stream of research attempts to define the field of social entrepreneurship and differentiates it as a unique field of study. The definition of the field draws on perspectives from management, entrepreneurship, and organization theory literature. Labeling with the terms social entrepreneur, social entrepreneurship, social enterprise, social venture, social economy, these researchers attempt to describe the concept according to different dimensions.

Waddock and Post (1991) define social entrepreneurs as private-sector leaders “who play critical roles in bringing about ‘catalytic changes’ in the public sector agenda and the perception of certain social issues” (p. 393). They argue that there are three characteristics essential for successful social entrepreneurs. First, the social problem is characterized by complexity, which the social entrepreneur binds into a vision that has the potential to reshape public attitudes when implemented. Second, the social entrepreneur is an individual with significant personal credibility, which he or she uses to tap critical resources and actually build the necessary network of participating organizations. Third, the social entrepreneur generates followers’ commitment to the project by framing it in terms of important social values, rather than purely economic terms, which results in a sense of collective purpose among the social entrepreneur and those that join the effort (p. 394).

Frumkin (2002) defines social entrepreneurship as a combination of the supply-side orientation and the instrumental rationale, providing a vehicle for entrepreneurship that creates social enterprises that combines commercial and charitable goals. It is a means to an end, not an end in itself. By way of this definition, social entrepreneurs operate within the nonprofit sector as the place where new projects can be designed and implemented by people that are willing to take a chance. Almost anyone with an idea or vision can found a nonprofit or voluntary organization quickly. With such a low barrier to entry, entrepreneurs can easily find alternative financing tools. Frumkin views social entrepreneurship as an alternative to dependency on government or charitable giving. “Instead of relying on private grants or government assistance, many new organizations are conceived from the start as self-supporting operations that generate fees and commercial revenues to support their charitable missions.” In this sense, “the rise of nonprofit entrepreneurship has been

followed closely by a rising tide of fee-for-service and commercial enterprises of all sorts” (p. 130).

Sullivan-Mort, Weerawardena, and Carnegie (2003) attempt to understand social entrepreneurship by building multidimensional constructs that describe social opportunity recognition, entrepreneurially virtuosity, judgment capacity, and risk tolerance, proactiveness, and innovativeness. It provides a meaningful and realistic path toward conceptualizing and gaining insight into how social entrepreneurship can be developed and linked to ongoing capabilities within the organization.

Alvord, Brown and Letts (2002) conducted a comparative analysis of seven cases of social entrepreneurship widely recognized as successful. The results suggest that the factors associated with successful social entrepreneurship are innovation characteristics, initiative leadership and organization characteristics, and scaling up that produces social transformation impacts. These factors are associated particularly with social entrepreneurship that leads to significant change in the social, political, and economic context for poor and marginalized groups.

Ryzin, Grossman, Dipadova-Stocks and Bergrud (2009) attempted to conceptualize social entrepreneurship by studying individual characteristics that might describe or explain who in society is likely to be a social entrepreneur. Obtaining data from a United States online panel, they included a wide variety of independent variables as potential predictors of the social entrepreneur. The independent variables included a set of background factors, e.g. gender, race; a set of socioeconomic or human capital factors, e.g. income, education, hours of work; geographic factors; social capital indicators; attitudes; and Big Five Personality domains, e.g. extraversion, agreeableness, conscientiousness, emotional stability, and openness to experiences. The results suggest that social entrepreneurs tend to have more social capital, are more likely to be happy, interested in politics, extroverted, and liberal ideologically. These findings help to provide a multidimensional description of the social entrepreneur.

Nga, Koe and Shumuganathan (2010) focus their study on the personality traits of social entrepreneurs, who often possess certain distinct personality characteristics which define their behaviors or actions. Personality traits such as agreeableness, openness and conscientiousness are the values/beliefs held and play important roles in driving social entrepreneurial decision making. They can influence the social

entrepreneur's start-up intentions, e.g., the social vision, innovation, financial returns, sustainability, and social networks. Therefore, the entrepreneurship education curriculum needs to nurture the learners so as to realize genuine value and impact to the causes and communities they serve. It is hoped that social entrepreneurs will adopt an integrative view of business that blends economic social and environmental values.

2.6.2 The Resource-Mobilizing Stream

The second stream of social entrepreneurship study focuses on the resource-constrained environments within the operations of social enterprises. (Desa, 2005: 8). Social entrepreneurs acquire and utilize resources to serve their social mission. It highlights the characteristics, orientation, and environment that can determine the resource-seeking behaviors or actions in order to be successful and sustainable, and in scaling up a venture.

Sharir and Lerner (2006) focus their study on identifying the factors affecting the success of social ventures initiated by individual social entrepreneurs. Those factors contributing to the success of social ventures are: 1) the entrepreneur's social network; 2) total dedication to the venture's success; 3) the capital base at the establishment stage; 4) the acceptance of the venture idea on public discourse; 5) the composition of the venturing team; 6) forming cooperation in the public and non profit sectors in the long-term; 7) the ability of the service to stand the market test; and 8) the entrepreneurs previous management experience. The research is based on an exploratory qualitative field study, including 33 social ventures founded in Israel in 1995 by individuals acting independently of their positions in other organizations. The study's findings suggest that there is a need for the establishment of incubators (supportive environments) to fulfill an intermediary function by providing training, technical advice, networking, and financial planning to compensate for the social entrepreneur's limited knowledge and expertise.

Douglas (2007) compares two distinct social entrepreneurship organizations which have many common features but which operate from different orientations: a mutually-participatory volunteer service organization, and a more business-like enterprising and entrepreneurial approach. The results suggest that orientation affects

an organization's function but not its capacity to deliver the social mission. Both organizations can be successful and sustainable but with a different set of processes. The different orientations are likened to the founders' orientation. They are demonstrated by variations in relationship building and the strategic intent to seek opportunities to attract resources. Therefore, social entrepreneurship founders need to select appropriate processes to match their organizational orientation, rather than adopt a single model.

Mair and Schoen (2007) also conducted a comparative analysis of three social entrepreneurial organizations that have been widely recognized as successful. The research approach is explorative, with data gathered from many sources, including published and unpublished articles, existing case studies, personal interviews, and Internet resources. The analysis reveals common patterns among them. Successful social entrepreneurial organizations proactively create their own value as an integral part of the business model, and integrate their target group into the social value network.

In summary, personal credibility, past experiences, social network, framing, and reputation effects can determine the choice of resource-acquiring for an organization.

2.7 Institutional Theory

An institution is a symbolic and behavioral system containing representative, constitutive, and normative rules, together with a regulatory mechanism that defines a common meaning system and gives rise to distinctive actor and action routines (Scott, 1994: 86). Institutional theory has been developed to explain how organizations respond to the environment. It argues that organizations are influenced by normative pressures, both from external sources, e.g. states, and from internal sources, e.g. culture (Zucker, 1987: 443). It addresses the issue of how and why meanings and forms and procedures come to be taken for granted (Pfeffer, 1982: 240), unlike traditional theories, which portray efficiency as the driving force behind decision making or a rational adaptation to technical and environmental conditions (Barley and Tolbert, 1997: 93).

The concept of legitimacy as a primary organizational goal is the key to institutional theories. Oliver (1991) considers legitimacy as the means by which organizations obtain and maintain resources and it is the goal of organizations to conform to the expectations of stakeholders in the environments (DiMaggio and Powell, 1983; Meyer and Rowan, 1977; Tolbert and Zucker, 1983).

Zucker (1987: 444-446) proposes two distinct theoretical approaches of institutionalization in the organization: environment as institution and organization as institution.

The environment as institution assumes that the basic process is reproduction or the copying of system-wide social facts on an organizational level. Institutional elements come from outside the organization and cause change in it. When an organization responds to external institutional pressures, they protect their technical activities through decoupling elements of structure from other activities and from each other, therefore, reducing efficiency. In other words, efficiency and success do not necessarily co-vary in institutional theory. Organization conformity to the institutional environment simultaneously increases positive evaluation, resources flows, and therefore, survival chances, and reduces efficiency (Scott and Meyer, 1983:141).

The organization as institution assumes that the central process of institutionalization is the creation of new culture elements at the organization level. This approach views that reproduction is a consequence of institutionalization, not a cause. Institutional elements arise from within the organization itself or from imitation of other similar organization, not from the coercive process of the state. Therefore, organizations are important sources of the institutionalization of new action.

2.7.1 Institutional Pillars

Scott (2001) offers three pillars of institutions: regulative, normative, and cultural-cognitive, which contribute to an institutional environment. These three pillars explain different aspects of institutional environments. Institutions impose restrictions and support and empower activities and actors.

Regulative pillars of institutions refer to rules and laws that constrain and regularize behavior. It involves the capacity to establish rules, inspect others'

conformity to them, and, as necessary, manipulate sanctions-reward or punishment-in an attempt to influence future behavior (Scott, 2001: 52).

Normative pillars of institutions refer to norms and values that constrain or empower social behavior. As Scott (2001: 55) argues, normative systems define goals or objectives and designate appropriate ways to pursue them. Therefore, values are linked to ends, and norms are linked to means.

The cultural-cognitive pillar of institutions is the shared conceptions that constitute the nature of social reality and framed through which meaning is made (Scott, 2001: 57). It concerns symbolic representations and meaning constructions.

Eden and Miller (2004: 16) interpret the three pillars in a more simple way. The regulatory pillar defines what an organization and individual may or may not do. The normative pillars define what they should or should not do. The cognitive pillar defines what is or is not true and what can or cannot be done.

2.7.2 Institutionalization Process

Meyer and Rowan (1977: 341) define institutionalization as the processes by which social processes, obligations, or actualities come to take on a rule-like status in social thought and action. While Selznick (1957: 17) defines it as the infusion of the value beyond the technical requirements of the task at hand. DiMaggio and Powell (1983: 49) identify three mechanisms that lead do institutionalization. They term it as institutional isomorphism. It is a process of homogeneity of organizational forms and practices. DiMaggio and Powell (1983) explain three types of isomorphism: coercive, normative, and mimetic isomorphism.

Coercive isomorphism stems from political influence and the problem of legitimacy. It results from both formal and informal pressures exerted on organizations by other organizations in which they are dependent and by the cultural expectations in the society within its organization functions (DiMaggio and Powell, 1983: 49).

Mimetic isomorphism results from standard responses to uncertainty. When there is uncertainty, e.g. unclear technology, ambiguous goals, organizations may model themselves on other organizations, therefore, modeling is a response to

uncertainty. Organizations tend to model themselves after similar organizations in their field that they perceive to be more legitimate or successful.

Normative isomorphism stems primarily from professionalization, a collective struggle of members of an occupation to define the conditions and methods of their work, and to establish a cognitive base and legitimating for their occupation. Two important aspects of professionalization are formal education and the professional network. The development of professional norms stems from university and professional training, while professional associations are the source of the promulgation of normative rules about organizational and professional behavior (DiMaggio and Powell, 1983: 152).

DiMaggio and Powell's (1983) three mechanism of institutional isomorphism are linked to Scott's (2001) three pillars of institutions, as shown in Table 2.3.

Table 2.3 Varying Emphasis: Three Pillars of Institution

	Regulative	Normative	Cognitive
Basic of Compliance	Expedience	Social Obligation	Taken for granted
Mechanisms	Coercive	Normative	Mimetic
Logic	Instrumentality	Appropriateness	Orthodoxy
Indicators	Rules, laws, sanctions	Certification, accreditation	Prevalence, isomorphism
Basis of legitimacy	Legally Sanctioned	Morally governed	Culturally Supported conceptually

2.8 Legitimacy

The concept of organizational legitimacy is built on institutional theory that encompasses cultural norms, symbols, beliefs, and rituals. As a construct, the concept of organizational legitimacy addresses the normative and cognitive forces that construct and constrain organization actors.

2.8.1 Definition of Legitimacy

There are a number of definitions of legitimacy. Pfeffer and Salancik (1978), for example, view legitimacy as congruence between the social values associated with or implied by activities and the norms of acceptable behavior in the larger social system. They highlight cultural conformity rather than self-justification. Meyer and Scott (1983: 201) explain legitimacy as stemming from the congruence between the organization and its cultural environment, as they refer to the extent to which the array of established cultural accounts provide explanations for an organization's existence. In this view, the focus is on the cognitive rather than the evaluative dimension of Pfeffer and Salancik.

Suchman (1995: 574) incorporates the evaluative and the cognitive dimensions of legitimacy and defines it as follows:

“A generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, and definitions.”

Suchman (1995) further explains the reasons why organizations may seek legitimacy: 1) the distinction between pursuing continuity and credibility, and 2) the distinction between seeking passive and active support. Legitimacy enables stability because the desirable, proper, or appropriate appearance of the organization obtains a support from stakeholders. They also perceive legitimacy of an organization as being more worthy, more meaningful, and more trustworthy. This explains the credible collective account of the organization. In organizations that seek active support, the legitimacy demand is high compared to those that only need some social activity. He also identifies two approaches to establishing legitimacy: the institutional and strategic approach. The former explains that external institutions construct an organization in every aspect. Therefore, external institutions determine how an organization is built, how it is run, how it is understood and evaluated. The organization should obtain support from its constituents. The latter approach, on the other hand, depicts legitimacy as an operation of resources the organization extracts from cultural environment in order to achieve their goals. The difference of these two approaches

is in the perspective of managers. The strategic approach adopts the viewpoint of the manager looking out; however, the institutional approach adopts the viewpoint of society looking in. However, he emphasizes the duality of these two approaches of the organization in order to achieve legitimacy.

2.8.2 Type of Organizational Legitimacy

Suchman (1995: 277) categorizes legitimacy into three levels: pragmatic, moral, and cognitive.

Pragmatic legitimacy is the simplest level of legitimacy or a sort of exchange legitimacy. It involves direct exchanges between the organization and constituencies. The organizational behavior must affect the well-being of the constituencies. Dart (2004: 418), drawing on Suchman (1995), suggests that pragmatic legitimacy emphasizes that the organization's legitimacy comes from those that indirectly benefit from the organization's activities, e.g. funders, and those that directly benefit, e.g. clients. Therefore, the organization must produce an outcome of value for the stakeholder group. Establishing pragmatic legitimacy with key stakeholders is a strategic objective of organizations including social enterprises (Nicholls and Cho, 2006: 113). Organizations can either establish social accountability, or impact measurement. The value of social enterprise depends on the value of production, similar to the explanation of the rationalist. Pragmatic legitimacy is contingent on organizations' activities that produce outcomes of value for stakeholders (Dart, 2004: 418).

Moral legitimacy, unlike pragmatic legitimacy, rests on whether the organization's activity is the right thing to do, not the benefit of evaluators. This reflects beliefs about whether the activity effectively promotes societal welfare. From this perspective, an organization is legitimate because of the ideological ideas about the valid organization model. It is as much "myth and ceremony," as referred by Meyer and Rowan (1977), to produce social outcomes.

Dart (2004: 420) has argued that the changing context around the organization, particularly social enterprises in many countries, has been the main driving force behind a social enterprise model that emphasizes self-efficiency and generating revenue streams. This is a change in the social enterprise phenomena away from

entrepreneurship and innovation aspect to the market-focused, revenue-generating innovation aspect. The profit-making model of social enterprise can be connected to social values in the social environment.

Moral legitimacy implies the isomorphic pressures from the social environment and from key stakeholders. Organization can either passively conform to or actively respond to these pressures by employing multiple forms of strategies (Oliver, 1991).

Cognitive legitimacy, based on the cognitive environment rather than audience self-interest, refers to basic, preconscious, taken-for-granted assumptions about the nature and structure of the organization (Dart, 2004: 421). Organizations must arrange their experiences into coherent, understandable accounts. Legitimacy stems from the availability of cultural models, in which an organization's activity will prove predictable, meaningful, and inviting (Suchman, 1995: 582). Nicholls and Cho (2006: 114) explain that the presence of social enterprise is possible because a society has fully accepted the organization landscape of public, private, and social sectors. They also emphasize the relationship between social enterprise and social movements. Cognitive legitimacy can be generated in the engagement of public constituencies in informed discussion of social values, issues, and strategy.

However, as cognitive legitimacy is based upon the normative estimations that demand the organization fit within accepted societal frameworks of behavior, social enterprises work outside this normative organization pattern since they are often considered as an ill-defined enterprise. The lack of cognitive legitimacy of social entrepreneurship becomes a means of greater impact on effective operations (Nichols and Cho, 2006: 115).

2.9 Resource Dependence Theory

Resource dependence theory argues that organizations are constrained by the external environment. However, it argues for greater attention to internal organizational political decision-making processes and also for the perspective that organizations seek to manage or strategically adapt to their environment (Aldrich and Pfeffer, 1976: 79). It suggests that an organization's behavior becomes externally controlled because it is not internally self-sufficient, requiring from the environment. Hence, the

organization becomes interdependent from those elements of the environment in which it interacts. The theory rests on three key assumptions: 1) organizations are comprised of internal and external coalitions, which emerge from social exchanges that are formed to influence and control behavior; 2) the environment contains scarce and valued resources essential to organizational survival; and 3) the organizations work toward gaining control over resources that minimize their dependence on other organization (Ulrich and Barney, 1984).

Pfeffer and Salancik (1978) assert that the survival of an organization can be characterized by scarce resources. An organization must have the ability to acquire vital resources and also the ability to acquire information from the environment. The need for resources creates dependencies among organizations. This interdependence among organizations is in the form of exchange and transaction of money, people, and social legitimacy.

Pfeffer and Salancik (1978) also identify two contingent adaptation strategies to environmental forces. Either the organization adapts its structure and processes to fit the environment, or it must actively manage the environment by modifying it to fit the organization's capabilities.

Social enterprises, similar to other organizations, are constrained by the external environment. One of the fundamental environmental factors is the scarcity of capital to fund the operations of social enterprises. The internal limitations in financial resources for nonprofit social enterprises necessitate a strategy that mixes nonprofit and for-profit activities, with for-profit activities supporting and supplementing the key nonprofit operations. The quest for earned income opportunities as an alternative and additional form of financial resource acquisition through nonprofit social enterprises, and the attempt of for-profit social enterprises to acquire earned income opportunities to maintain their ability to achieve their social mission, are attempts to provide an innovative response to the relationship between the organization and the environment.

2.10 Strategic Response to the Institutional Process

Oliver (1991: 152) in combining institutional theory and resource dependence theory as complementary, identifies the strategic responses available to an

organization in resisting or conforming to institutional pressures. These strategic responses depend on five antecedents institutional factors: the organizational context, i.e. the degree of uncertainty and interconnectedness in the organization's environment; control, i.e. institutional pressures exerted by laws or norms; constituents, i.e. people or organizations exerting institutional pressures on the organization; content, i.e. the norms or requirements that the organization is pressured to conform to; and cause, i.e. the organization is being pressured to conform (Oliver, 1991: 160).

Ingram and Simons (1995) use five predictors of institutional responsiveness suggested by Oliver (cause, constituents, content, control, and context) to investigate an organization's responsiveness to work and family issues. They find strong support for Oliver's conceptualization of the factors affecting an organization's degree of compliance with institutional factors.

Abernethy and Chua (1996), drawing on resource dependence and institutional theories, investigate the role of an organization's accounting control system as part of an interrelational control package. The study was based on a longitudinal field study of a large public teaching hospital in Australia. The results support the role of institutional factors in the control system design, for instance, the state funding authority and the public sector accountability. It also demonstrates that strategic choice plays an important part in the design.

Zinn, Weech, and Brannon (1998) use two complementary theoretical perspectives, resource dependence and institutional theories, to identify the rational adaptive and institutional contextual factors associated with TQM adoption in nursing homes. The results provide limited support for the association between some rational adaptive and institutional factors and TQM adoption in nursing homes. Perceived competition and the influence of the Medicare program, both at the facility and the market level, were associated with TQM adoption. However, other factors associated with TQM adoption in other industries, such as size, were not associated with TQM adoption in the nursing homes in this study.

Pornlert Arpanutud (2003) integrated institutional theory and resource dependence theory and developed a conceptual framework to explore the factors affecting the adoption of the environmental management system of Thai manufacturing firms. The results indicated that the adoption of the system was

predicted by an expected gain in social legitimacy, expected gain from competitiveness, the perceived importance of external stakeholders, top management commitment, firm size, and amount of export sales.

Peng (2004) combined agency, resource dependence, and institutional theories to investigate the practice of appointing outside directors on corporate boards that enhances firm performance. The results showed that the incorporation of resource dependence and institutional theories tends to be substantiated when probing into the intriguing relationship between board composition and firm performance during institutional transition.

Corcoran and Shackman (2007) applied Oliver's framework to examine the proliferation of the Occupational Health and Safety Administration's Voluntary Protection Program. The results suggest that stakeholder resource control power influences organizational decision making. Companies tend to engage in programs that will reflect in a positive view of more powerful stakeholders. Therefore, the study provides an empirical demonstration of the efficacy of the combined theory approach.

Stevens (2008) examines the likelihood of entrepreneurial action among nonprofit organizations operating in an environment of resource scarcity. The study supports the view that institutional pressures, in particular the salience of stakeholders and the perception of organizational capabilities, serve as key drivers and definers of a nonprofit organization's likelihood of engaging in entrepreneurial activity.

Bundit Shovityakool (2008) used three cases to investigate the force and change processes which propelled the change of Thai NGOs due to the effect of the December 26, 2004 Tsunami. The causes of change were strong attention of the NGOs, donor expectation, concentration of prospective beneficiaries, requirements for immediate response, complexity of problems, level of NGO competency, and the fast changing magnitude of problem recognition. The change processes of the three cases were not similar to those of the for-profit organizations. This can be explained by forces in the NGO environment during the crisis. It can also explain why these NGOs were willing to organize and perform new tasks without significant resistance. Moreover, the Tsunami benefited both NGOs and their beneficiaries more than in normal cases.

Motivations for adopting earned income opportunities are affected by the strategic environment in which the organization operates. The resource dependence

and institutional theories assert that the greater the perceived social legitimacy, the greater the degree of external dependence on pressuring constituents, the greater the degree of interconnectedness, and the greater the scarcity of financial resources, the greater the degree of organizational adoption of earned income opportunities.

2.10.1 Perceived Social Legitimacy

The motive for legitimacy can be to the desire of an organization to improve the appropriateness of its actions within an established set of regulations, norms, values, or beliefs (Suchman, 1995). Organizations motivated by legitimacy are focused on the stakeholders most influential in prescribing or articulating legitimacy concerns (Bansal and Roth, 2000: 728). DiMaggio and Powell (1983) suggest that organizations conform to coercive pressures by adopting business practices because these organizations might otherwise appear illegitimate to their stakeholders. In the context of nonprofit organizations, coercive pressures can be mapped with pragmatic legitimacy (Nicholls and Cho, 2006:113). It comes from those that directly benefit and indirectly benefit from the outcome of the nonprofit organization. Therefore, the value of the social enterprise depends on the conformity to the stakeholders' expectations. Kearns (2006) reviewed several approaches to nonprofit revenue decision-making, positing that nonprofits are multi-stakeholder/multi-decision-making organizations whose diverse constituents' preferences and concerns must be integrated together in order to obtain a satisfactory revenue source. Such concerns include the appropriateness of income sources relative to the nonprofit's mission, the potential revenue stream to generate significant levels of support, the risks associated with particular streams, possible trade-offs among alternative, and the effects of a particular source of the organization's autonomy.

The mimetic pressures or moral legitimacy are those that push organizations to imitate an action of other organizations in their environment. According to Haveman (1993), mimetic pressures are exerted on an organization in two ways. First, an organization can face mimetic pressures if the number of organizations in its environment that have taken the same action increases. In addition, an organization can face mimetic pressures when the organization perceives that the actions of other organizations in its environment are successful and beneficial.

2.10.2 Degree of External Dependence on Pressuring Constituents

Oliver (1991) suggests that organizations that are not as dependent on their constituents will be less likely to adopt certain practices common to that field. This suggests that those organizations that do not depend on their constituents for funding, information or other resources are less likely to conform to or adopt the practices. Other scholars have also suggested that organizations with multiple funding sources will model themselves after successful organizations and that having more diverse revenue sources increases an organization's tendency to seek legitimacy and recognition through its work (Bielefeld, 1992).

2.10.3 Degree of Interconnectedness

The degree of interconnectedness refers to the extent to which organizations share information with others (Rogers, 1995). Galaskiewicz and Wasserman (1989: 456) argue that networks may be a source of information and new ideas for organizational decision makers. By tapping those in their networks, managers learn about the options and strategies that they might adopt. Social network ties have been shown to increase the likelihood of adopting new practices, i.e. medical technology and techniques (Becker, 1970), matrix management programs (Burns and Wholey, 1993), and the multidivisional form (Palmer, Jennings, and Zhou, 1993).

Galaskiewicz and Wasserman (1989) conducted research to explore network ties via boundary-spanning personnel. By collecting data on charitable contributions of 75 business corporations to 198 nonprofit organizations, they found that firms are more likely to donate to specific charities that are viewed more favorably by the local philanthropic elite. They concluded that managers utilize the information gathered through interpersonal networks to make decisions on how to relate to other organizations in their task environment and to achieve organizational ends.

Oliver (1991) suggests that the lower the degree of interconnectedness in an organizational environment, the greater the likelihood that the organization will resist institutional pressures. This suggests that organizations that do not interact with other organizations in their environments are less likely to adopt the practices or social norms of that particular field, that they do not adopt practices to be similar to agencies in their field or to gain legitimacy through mimicking these practices. In the case of

the nonprofit organization, network analysis is employed to investigate the degree of interconnectedness. The network analysis focused on organizational ties between nonprofits and their information sources, i.e. nonprofit network, foundations, supporting, and promoting organizations. Such ties may facilitate knowledge transfer among nonprofits.

2.10.4 Financial Constraints

Resource dependence theory considers that certain value resources are needed to maintain the organization and to enable growth. Common resources include financial resources, physical resources, and intangible resources. Certain resources will be crucial to the organization's success or survival; therefore, organizations must either control these resources themselves, or secure their control to ensure stability. As the level of the resource uncertainty increases, the more likely is the organization to seek methods of managing the exchange relationships it depends on. Thus, the organization that perceives that resources are scarce will be more likely to pursue activities that secure the resources.

Nonprofit organizations have long depended on grants and donations. The changes in the financial resources and the competitive environment for nonprofit organizations will drive the organizations to pursue earned income opportunities as an alternative to traditional forms of financial resource acquisition. It is an attempt to supplant or supplement existing exchange relationship (Stevens, 2008: 59). Adams and Perlmutter (1991) find that the increase in commercial activities by social service agencies is a direct result of cutbacks of government funding. By commercial sales of services and products, voluntary social agencies can generate additional income as a compensation for lost federal revenues. Young (1998) conducted a research using longitudinal data for 81 Jewish Community Centers and proposed a model in which membership revenues, external donations, and operating surplus/deficit were used as independent variables, and commercial income was used as a dependent variable. It was found that donated revenue, including private donations and public funding, was negatively related to commercial income, and that surplus was positively related to mission-unrelated income. This suggests that downsized private donations and public funding lead to growing commercialism in nonprofits. According to Young (1998),

commercial activities may contribute to an agency's mission by constituting mission-related services, generating surplus revenues, or both. Therefore, it can be assumed that the profit motivation is driven by a combination of desires to promote mission-related services and to generate surplus revenues for survival.

By using tax returns (IRS Form 990) from over 11,000 social service nonprofits in the USA, Schiff and Weisbrod (1991) examined the commercial behaviors of nonprofits. In their analysis, commercial activities were an intermediate factor affected by government spending, which in turn influenced the total contributions that a nonprofit service agency received. The findings suggested that decreases in government spending resulted in a significant increase in commercial income. Given that commercial activities, especially mission-unrelated activities, can generate income as well as negative impacts on private giving, total contributions received by social service nonprofits decrease.

2.11 Organizational Context

2.11.1 Top Management Commitment

Top management commitment refers to the extent of top management support for adopting earned income opportunities in nonprofit organizations. According to Yoon (2009: 34), top management support is one of the three best predictors for innovation adoption by organizations. Gray (1983 as quoted in Greening and Gray, 1994: 479) found that top management ideologies regarding government intervention into business directly influenced whether foundries adopted technical, informational, administrative (structural), or environmental management responses to Occupational Safety and Health Administration (OSHA) regulations. Top management's commitment to issues dealing with management activities has also been demonstrated to have an impact on external assessments of corporate social performance.

2.11.2 Human Resource Readiness

Human resource skills, experiences, and capabilities are considered to be important elements of innovation adoption (Koc, 2007: 380, Fathian, Akhavan and Hoorali, 2008; Molla and Licker, 2005). Tornatzky and Fleischer (1990) have

suggested that informal linkages and communication among employees, the quality of human resources, top management's leadership behavior, and the amount of internal slack resources would significantly influence the adoption of technological innovation. Chiesa, Coughlan and Voss (1996) examined the process model to develop and exploit innovations. The model addresses the managerial processes and the organizational mechanisms through which innovation is performed. It suggests, and positively proves, that organizations integrate better processes of innovation with an effective and quality human resource management system.

Wallis and Dollery (2005) examined the role of leadership in shaping the culture within the nonprofit organization and stakeholder network. They suggested that leadership skills and knowledge have an influence on strategic choice and organizational effectiveness. Ibrahim, Elias, Saad and Ramayah (2008) analyzed the determinants of technological innovation in the Malaysian manufacturing industry. They found that technical competency of personnel was one of the important factors associated with technological innovation. Kong (2010: 165) investigated the role of intellectual capital in the innovation process in social enterprises. He found that intellectual capital and its components, e.g. human capital, can harness knowledge for the pursuit of innovative social and commercial activities. In addition, he concluded that the ability of nonprofit organizations to achieve their objectives depends on the knowledge, innovation, experience, and skills of organization members, from the top as well as from the lower level, such as non-executive members and volunteers. An organization with greater human resource readiness, for example with better skills or knowledge, will have higher ability to adopt innovation. Therefore, human resource readiness might influence the adoption of earned income opportunities.

2.11.3 Entrepreneurial Orientation

Stemming from Child's (1972) strategic choice perspective, entrepreneurial orientation has become a very important concept in the entrepreneurship literature, as research in this area has grown rapidly recently (Davis, 2007: 21). There are many definitions of entrepreneurship orientation. Lumpkin and Dess (1996: 136) define it as "the processes, practices, and decision-making activities that lead to new entry." Dess and Lumpkin (2005: 147) view entrepreneurial orientation as the strategy-making

practices used for new venture creation. Similar to Dess and Lampkin (2005), Wiklund and Shepherd (2005: 74) refer to an organization's strategic orientation, including entrepreneurial decision making and practices. Sapienza, Clerq and Sandberg, (2005: 444) refer to the rules and norms used for decision-making. However, Miller (1983) appears to offer the earliest operational definition of the entrepreneurship orientation concept. He defines an entrepreneurship-oriented organization as one that "engages in product marketing innovation, undertakes somewhat risky ventures, and is first to come up with proactive innovations (p. 771)."

Numerous researchers have used this conceptualization in their work (e.g., Covin and Slevin, 1989; Morris and Paul, 1987; Naman and Slevin, 1993). Miller's (1983) measures of entrepreneurship orientation from innovativeness, risk-taking, and proactiveness have been used extensively when examining the relationship between entrepreneurial, environmental, strategic, and organizational variables (Covin and Slevin, 1989: 78, Li, Yi and Youngbin, (2006: 339) The gradual development of EO has consistently centered around three primary constructs: 1) innovativeness, 2) proactiveness, and 3) risk-taking (Davis, 2007: 21). Although many previous studies have examined entrepreneurial orientation at an individual level, it recently has been investigated as a firm-level behavior, emphasizing the entrepreneurial process of the firm (Wiklund, 1999: 38).

2.11.3.1 Innovativeness

Innovativeness has been viewed in several ways by researchers. Lumpkin and Dess (1996: 142) define innovativeness as "a firm's propensity to engage in and support new ideas, novelty, experimentation, and creative processes that may result in new products, services, or processes." Knight (1997: 214) views innovativeness as an organizational response to the environment and defines it as "the pursuit of creative or novel solutions to challenges confronting the firm, including the development or enhancement of products and services, as well as new administrative techniques and technologies for performing organizational functions." According to Covin and Miles (1999: 49), innovativeness refers to the tendency of the firm to support new ideas, experiment, and create processes earlier than competitors. Ogunsiji and Ladanu (2010: 195) defines innovativeness as the willingness to try new methods which differ from the existing, enthusiasm to bring on board new methods in the way

the business is being operated, and the willingness to implement the innovative strategy.

Measurement of innovativeness is different based on the type of innovation. Lumpkin and Dess (1996) suggest that firms fall along a continuum of innovativeness, ranging from a willingness to try a new product line or other new technology to a pursuit of and commitment to leading an industry in technological and product advancement. Zahra and Covin (1993: 461) examined innovativeness from the point of view of a firm's emphasis on technological development, ability to adapt new processes, and the desire to have a reputation for trying and producing new processes and/or methods. Covin and Slevin (1989: 86) measured innovativeness from a count of the number of new products or services introduced by an organization. The variety of measures is useful in examining the innovative nature of a firm.

2.11.3.2 Proactiveness

The second component of entrepreneurial orientation is proactiveness. Venkatraman (1989: 949) defines proactiveness as a process of anticipating and acting on future needs by the firm seeking new opportunities that may or may not be related to its present line of operations, by introducing new products or brands ahead of the competition, and by eliminating operations that are in a mature or declining life cycle stage. Fritz (2006: 14) referred to the preference of the firm to be the first to take action, in order to gain a first mover advantage. Proactiveness describes how firms relate to market opportunities in the process of entering a new market or product category. Proactiveness characterizes the process by which firms seize and act upon new opportunities in order to "shape the environment" (Arunee Tanvisuth, 2007: 23).

The measurement of proactiveness has taken several forms. Lee, Lee and Pennings (2001), for example, analyzed the funds allocated for first mover pursuing projects in an organization. Covin and Slevin (1989: 86) have focused on measuring the tendency of an organization to be a leader, rather than a follower, in the development of new technologies, products, processes. Proactiveness is a forward-looking perspective that anticipates and acts on future wants and needs of customers or clients and therefore, helps to create a first mover advantage vis-à-vis the firm's competitors (Arunee Tanvisuth, 2007: 23).

2.11.3.3 Risk-taking

The third component of the entrepreneurial orientation construct is the propensity to accept risk. Proposed definitions of risk-taking have included elements of opportunity capitalization, resource commitments, potential for returns, and uncertainty (Miller and Friesen, 1978; Miller, 1983; Lumpkin and Dess, 1996; Lee, Lee and Pennings, 2001, Ogunsiji and Ladanu, 2010). For instance, Ogunsiji and Ladanu, (2010: 195) refers risk taking to the capacity of the entrepreneur to perceive risk at its inception and to find avenues to mitigate, transfer, or share the risk. These risks involve taking the venture into unfamiliar business terrain as well as that of the commitment of resources. However, the most widely accepted definition of risk taking is that of Miller and Friesen (1978), as -“the degree to which managers are willing to make large and risky resource commitments - i.e., those which have a reasonable chance of costly failures (p.923).” This definition considers the role of resource commitments and uncertainty.

Davis (2007: 42) classifies risk-taking strategy into three categories. The first is risks associated with heavy borrowing by organizations, the risks assumed when debt is undertaken to fund a project. The second type of risk is the excessive commitment of resources into a specific investment. An excessive commitment is often figured as the dollar amount of resources for a particular entrepreneurial project. Risk is enhanced as the level of resource commitment is increased. The third type of risk is that of venturing into the unknown. This type of risk refers to the uncertainty, not necessarily financial, associated with entering an industry or market in which little is known. New development of products or technological processes/ operations is often associated with this type of risk because no precedent has been established to provide the security of market demand. Several measures of risk-taking propensity have been used in past research. A common measure of risk focuses on the risk level of projects undertaken by an organization. For instance, several authors (e.g., Miller and Friesen, 1978: 234; Lee, Lee and Pennings, 2001: 618) have used measures of the number of risky R&D projects pursued and the resources allocated to those risky projects to represent an organization’s risk-taking propensity. Venkatraman (1989 as quoted in Davis, 2007: 43) have used resource allocation decisions as well as the choice of products and markets and the types of projects managers pursued (certain outcomes versus uncertainty).

2.11.4 Entrepreneurial Orientation in the Nonprofit Organization

The body of literature regarding entrepreneurship in nonprofit organizations is small and narrow in scope, and fails to capture the essence of entrepreneurial activity in this sector (Sullivan-Mort, Weerawardena, and Carnegie, 2003). While empirical studies regarding the presence, and impact, of entrepreneurship in nonprofits are sparse, emergent findings do support the relevance of entrepreneurship in the nonprofit context. For example, Morris et al. (2007) empirical study identifies the antecedents of entrepreneurial orientation in the NPO, and also finds a positive correlation between this orientation and performance. Brooks, (2008 quoted in Coombes, 2008: 83) finds that social entrepreneurship concerning with innovative, risk-taking, and proactive behaviors address significant social needs and opportunities.

Entrepreneurship research in the for-profit context, on the other hand, has received significantly more theoretical and empirical examination. Findings indicate that entrepreneurship can renew established firms and improve their chances for survival, growth, and performance (Brazeal, 1993; Covin and Slevin, 1989; Drucker, 1985; Miller, 1983; Zahra and Covin, 1993). Performance is enhanced through the launch of new products and services, the introduction of new processes, methods, and technologies, and the entry of new markets and distribution channels (Lumpkin and Dess, 1996; Zahra, Nielsen, and Bogner, 1999). These findings regarding the performance implications of innovative, risk-taking, and proactive activities can be extended to nonprofit organizations (Morris and Jones, 1999; Morris, Kuratko and Covin, 2008).

2.11.4.1 Organization Size

Organizational size refers to how large an organization is. Size is measured in a variety of ways. Some scholars measure size by annual revenues, others according to the number of full-time employees. Regardless how it is measured, organizational size is almost always positively associated with organization responses to institutional pressures (Goodstein, 1994: 350). Larger organizations are potentially more exposed to institutional pressures than smaller organizations. Some researchers suggest that large organizations are more apt to respond because they possess the financial, human, and technological resources necessary to do so (Kimberly and Evanisko, 1981). In addition, larger organizations generally feel greater pressures to

support or improve their processes and activities. Adams and Perlmutter (1991) found that the size of an organization is a crucial variable associated with successful commercial venturing. Large organizations are more likely to succeed in their venture and at the same time still stay close to the service mission. They explain that small agencies lack the capacity and resources in leadership, long-range planning, and experienced staff, to achieve success in venturing. Relating this to Oliver's cause factor, larger organizations should then be more likely to adapt to institutional pressures and less likely to resist them than smaller organizations and typically leaders in the development.

2.12 Leadership

Leadership is among the most discussed topics in organizational theory. It has been debated on how to define, measure, and recognize the effectiveness of leadership. It has been defined in terms of traits, behaviors, influence, interaction patterns, role relationship, and occupation of administrative position. For example, Katz and Kahn (1978: 528) defined it as "the influential increment over and above mechanical compliance with the routine directive of organization." Fiedler (1967: 11) defined it as "an interpersonal relation in which power and influence are unevenly distributed so that one person is able to direct and control the actions and behaviors of others to a great extent than they direct and control his." The disagreement about leadership challenges the organizing of the leadership literature; however, the chronological order of the literature was found to be the most appropriate.

2.12.1 A Brief History of Leadership

At the beginning of the 20th century, the trait approach focused on certain attributes that differentiate leaders from non-leaders. The underlying assumption is that these personal qualities are innate. Attributes such as intelligence, knowledge, dominance, initiation, achievement, responsibility, participation, self-confidence, energy, emotional maturity, stress tolerance, pragmatism, result-orientation, ambition, honesty, and integrity were studied and labeled as characteristics of effective leaders (Daft and Marcic, 2004: 417). During the 1930s and 1940s, hundreds of studies were

conducted to discover these attributes; however, a universal set of attributes has not been found. In addition, the possession of certain traits is not necessarily possible to be selected out from a pool of leaders. The trait approach also failed to explain all of the leaders' behaviors and how their actions affect their followers. It was also found that the usefulness of the traits varies from situation to situation, and as a result researchers shifted their focus to the behavior of the leader.

The behavioral approach beginning in the early 1950s falls into two subcategories. One is concerned with how managers spend their time and with typical patterns of activities, responsibilities, and functions of managerial jobs. The other is concerned with identifying effective leadership behavior (Yukl, 2002: 12). Behavioral theories, in contrast to the trait approach, argue that leadership can be taught, and leaders are made rather than born. Instead of focusing on the individual traits the leader should enhance, the researchers concentrated on the nature of managerial work. In contrast to personality, this was based on the fact that behavior can be learned and altered through practice, which, in turn, resulted in an interest in training leaders. According to Robins and Coulters (2005: 423) the main difference between trait and behavioral approaches in terms of application lies in their underlying assumptions. If trait theories were valid, then leaders are born rather than made. On the other hand, if there were specific behaviors inherent to leaders, then these behaviors could be isolated, defined, and taught.

The next approach that emerged in the late 1960s is called the situational or contingency approach. This approach emphasized the importance of the situational aspects surrounding the leadership process. It attempts to explain the relationship of the leader's attributes, e.g. traits, skills, behaviors, to leadership effectiveness. The difficulty of the situational approach is that it fails to present general principles for confronting varied obstacles (Yukl, 2002: 13, 230). It has also been criticized by Bass and Burn for focusing only on the leader-follower relationship, while ignoring the accomplishment of goals.

In the 1980s, the theories of charismatic and transformational leadership became predominant in researchers topics since it helped to understand how leaders influenced followers to make commitments and put organizational goals above self-interest. The concept of charismatic and transformational leadership is an important

step to building the leadership theory to provide insight into the reason for the success and failure of leaders (Yukl, 2002: 267). Fundamental principles of transformational leadership also appear in the charisma leadership of Weber (1963). The terms charismatic and transformational are used interchangeably; however, there are distinctions between them. Charisma is a necessary but not sufficient component of transformational leadership. Some leaders may be charismatic but many have no transformational leadership characteristics. House (1977: 189) describes charismatic leaders as those that “by forces of their personal abilities are capable of having a profound and extraordinary effect on followers.” Burns (1978: 20) describes transformational leadership as a process in which leaders and followers raise one another to higher levels of morality and motivation. Transformational leadership has a further step beyond situational theory in that it argues that truly successful leaders are able to change and or to create their own situations in which they and their followers operate.

2.12.2 Transactional and Transformational Leadership

In the past two decades, many scholars and practitioners have called for more adaptive leadership in responding to the rapid and continuous changes confronting today’s organizations. Researchers have become more interested in examining the approaches of adaptive leaders that have successfully transformed the organization. This new leadership approach has been applied by several terms, e.g. transformational leadership, visionary leadership, or charismatic leadership. However, the term “transformational” has been vastly applied to this new leadership approach. The foundation of the research on transformational leadership is based on the idea of charismatic leadership developed by House (1977) and that of transformational leadership by Burns (1978). The development of Burns’ transformational leadership theory is based on the rebel leadership of Downton (1973) and the charismatic leadership of Weber (1963). Burns’ conceptualization of leadership identifies two types of leadership styles: transactional and transformational.

2.12.2.1 Transactional Leadership

Grundstein-Amado (1999: 250) describes transactional leaders as those that use rewards and sanctions to induce followers to perform defined tasks and exhibit

loyalty and commitment to the organization. Peter and Waterman (1982: 82) also describe transactional leadership as a necessary, but incomplete, process in the comprehensive of effective leadership skills. Burns (1978: 4) states that transactional leadership occurs when one person takes the initiative in making contact with others for the purpose of an exchange of something valued. Therefore, transactional leaders involve an exchange process that may result in follower compliance with leader requests but is not likely to generate enthusiasm or commitment to task objectives (Yukl, 2002: 253). In this situation, leaders influence followers because the followers will do what leaders want out of their own interest. Effective transactional leaders must fulfill the expectations of their followers.

The major function of transactional leadership is to highlight the positive features of transformational leadership by providing an example of a less inspiring form of leadership (Pounder, 2001: 283). Transactional leaders set up agreements to achieve work objectives by completing three tasks: 1) defining what needs to be accomplished, 2) determining the capabilities of the followers, and 3) specifying the rewards that can be expected upon completion of the tasks (Bass, 1985: 11). A transactional style of leadership results in meeting performance expectations or goal attainment. Transactional leadership has also been associated with a follower's perception of work group effectiveness.

Initially there were three components of transactional leadership: laissez-faire, contingent reward, and management by exception; however, laissez-faire was later excluded because it represented the absence of leadership. Moreover, passive and active forms of management by exception have been added to the components of transactional leadership in subsequent studies (Hater and Bass, 1988 quoted in Barbuto, Cundall and Fritz, 2005: 26).

1) Contingent Reward. In a contingent reward approach, both leaders and followers must participate in the process because it reflects behavior that is reciprocal in nature (Barbuto, Cundall and Fritz, 2005: 27). Each party agrees to a system of rewards and works to meet mutual expectations for certain achievements or behaviors. This approach stems partly from reinforcement theory and has been central to leadership theory and practice for many years. The use of rewards can motivate and influence subordinates' behavior and can therefore, ensure that the followers perform

their intended duties. Transactional leaders distribute rewards to meet the needs of followers. At the same time, followers tend to agree with and accept direction from leaders in exchange for rewards. Followers are less concerned with the organizational goals than with individual needs. Contingent rewards can be given in several forms, for instance, praise for well-accomplished work, pay increases, bonuses, job enrichment, recognition, and promotion.

2) Management by Exception. Management by exception also has its roots in contingent reinforcement theories, whereby subordinates are rewarded or punished for a designated action. Leaders that practice management by exception do not get involved with subordinates until failures or deviations in work standards occur. They intervene only when a failure takes place or punishment or corrective action is needed. Leaders also set up predetermined action for specific failures and enforce the punishment when necessary. In a management by exception environment, any non-routine circumstances will require leader intervention because employees have not been encouraged to solve problems and have not been given the autonomy to develop confidence or to learn from experiences. Moreover, leaders that practice management by exception routinely provide negative feedback because they only initiate contact with followers when failure occurs (Barbuto, Cundall and Fritz, 2005: 27). Management by exception can be either active or passive.

(1) Passive management by exception. Transactional leaders that practice passive management by exception tend to get involved only when necessary and refuse to set a predetermine action. They do not encourage exceptional work, and need to be notified of errors. They tend to wait for the error to occur and then take the corrective action and use contingent punishments in response to the deviations. This style of leadership behavior may be required and effective in some situations, such as when safety is the primary concern. Moreover, leaders sometimes practice passive management by exception when they oversee a large number of subordinates that report directly to them.

(2) Active management by exception. Transactional leaders that practice active management by exception, unlike the passive ones, regularly search for failures before they occur. They monitor the work of subordinates and corrective action is taken to ensure effective work. Active leaders define expectations as well as inadequate performance and rewards and punish followers based on the

observed level of performance. Therefore, this style of leadership implies close monitoring for deviance, mistakes, and errors and then taking corrective action as quickly as possible when they occur.

2.12.2.2 Transformational Leadership.

Transactional leadership is an essential component for effectively managing the organization. However, it is not sufficient to explain the full range of effort and performance that leaders could extract from followers (Kuhnert and Lewis, 1987: 653). Transactional leader is considered to offer only a lower level of effort and performance that is agreeable between leaders and followers. Therefore, transformational leadership is also needed to fulfill the higher level of performance. Transformational leaders differ from transactional leaders in that they do not only recognize the need of followers but also attempt to elevate those needs from lower to higher level of development. In other words, they aim at the achievement of a higher level of performance of followers than they previously thought.

Applying Burns' (1978) ideas, Bass (1985: 27) argues that transformational leaders mostly consider how to marginally improve and maintain the quantity and quality of performance, how to substitute one goal for another, how to reduce resistance to particular actions, and how to implement decisions. Seltzer and Bass (1990) view transformational leadership as strengthening transactional leadership. Kuhnert and Lewis (1987: 653) proposed a three-stage development model of leadership and stated that "stage 3 transactional leaders are transformational because they use relational ties to motivate followers to believe work is more than the performance of certain duties for certain concrete payoffs." Moreover, transformational leaders not only arouse the internal motivation of followers, but also create a higher level of morality. As a result, transformational leaders tend to have positive impact and exert a difference on organizations and followers.

Bass (1985: 53), based on the work of Burns (1978), defines transformational leadership as leaders that ask followers to transcend their own self-interests for the benefit of the organization, to consider the long-term needs to develop themselves, and to become more aware of what is really important. He further argues that transformational leadership is seen when leaders: stimulate interest among colleagues and followers to view their work from new perspectives, generate

awareness of the mission or vision of the team and organization, and develop colleagues and followers to higher levels of ability and potential (Bass and Avolio, 1994: 2). According to Bass et al. (2003: 208), the components of transformational leadership are the four components, including the following:

1) Idealized Influence. Idealized influence occurs when leaders behave as role models. This idea is derived from the study of charismatic leadership which usually emerges during a time of crisis or major change. These leaders are admired, respected, and trusted. Followers identify with and want to emulate their leaders. Among the things the leader does to earn credit with followers is to consider followers' needs over their own needs. The leader shares risks with followers and is consistent in his or her conduct regarding underlying ethics, principles, and values. The leader also instills pride in the employee. The idealized leader communicates a vision, mission, and demonstrates consistent values and ethics that the followers embrace.

2) Inspirational Motivation. Inspirational motivation occurs when leaders behave in ways that motivate those around them by providing meaning and challenge to their followers' work (Bass and Avolio, 1994: 3). An individual and team spirit is aroused and enthusiasm and optimism are displayed. The leader encourages followers to envision attractive future states, which they can ultimately envision for themselves. The inspiration behind this component of leadership is primarily an emotional response from the followers. There are several means to inspiring followers, including continuously communicating; listening carefully; tolerating failure as a learning experience; building on people's desire to make a positive difference; maintaining a commitment to innovation, creativity, diversity, and social development; and continuously encouraging development. Bass (1985: 64) also indicated that the inspirational leader is able to invoke an emotional response from the followers through job competence. A positive emotional response becomes the motivation for the followers.

3) Intellectual Stimulation. Leaders stimulate their followers' effort to be innovative and creative by questioning assumptions, reframing problems, and approaching old situations in new ways. There is no public criticism of individual members' mistakes. New ideas and creative solutions to problems are solicited from

followers, who are included in the process of addressing problems and finding solutions. The intellectual leaders are less willing to accept the status quo. They are provocative, more creative, innovative, and radical to their actions. According to Kouzes (2001: 2), this type of leaders enables others to act by empowering their power. As a result, when people have more discretion, authority, and information, they are more likely to use their energies to produce extraordinary results.

4) Individualized Consideration. Individualized consideration occurs when leaders pay attention to each individual's need for achievement and growth by acting as a coach or mentor. Followers are developed to successively higher levels of potential. New learning opportunities are created along with a supportive climate in which to grow, for instance, two-way communication in which leaders listen carefully to the followers. Listening is essential to the supportive climate since the leader can do something in response to signify that he or she has heard his or her followers. In addition, individual differences in terms of needs and desires are recognized by leaders. In order to be successful in giving specific attention to each individual, leaders must know and understand followers. In this way, they can delegate or assign specific directions.

2.12.3 Transactional and Transformational Leadership and the Adoption of Earned Income Opportunities

Even though there is no direct research on the relationship between transformational leadership and the adoption of earned income opportunities, there are relative studies on the relationship between transformational leadership and adoption of innovation or organizational performance, organizational effectiveness, organizational outcomes.

Jung, Chow, and Wu (2003) collected survey data from 32 Taiwanese companies in the electronics/telecommunications industry to examine the link between leadership styles and innovation at the organizational level. The findings showed a direct and positive relation between a style of leadership that had been labeled as transformational and organizational innovation. They also indicated that transformational leadership had significant and positive relations with both empowerment and an innovation-supporting organizational climate.

Berson and Avolio (2004) examined the relationship of transformational and transactional leadership styles, communication styles, and goal articulation of top- and middle-level managers in a large telecommunications and their effectiveness in conveying strategic organizational goals across several organizations. The results indicated that managers that reported to transformational leaders tended to have higher agreement on the strategic goals of the organization. Moreover, it indicated that transformational leadership was associated with the careful listener, careful transmitter, and open communications styles.

Zhu, Chew, and Spangler (2005) conducted a research by collecting data from 170 companies in Singapore on the relationship between transformational leadership and innovation. The results showed that the perception of the CEO's transformational leadership was positively associated with the perceptions of organizational outcomes. The findings also showed that a company's practices in performance appraisal, staffing, training, and compensation systems fully mediated the relationship between CEO transformational leadership and perceived organizational outcomes.

Gumusluoglu and Ilsev (2009) studied the impact of transformational leadership both on followers' creativity at the individual level and on innovation at the organizational level, by collecting the data from 163 R&D personnel and managers at 43 micro- and small-sized Turkish software development companies. The results suggested that transformational leadership had important effects on creativity at both the individual and organizational levels. At the organizational level, the research found that transformational leadership was positively associated with organizational innovation, which was measured according to a market-oriented criterion.

Sarros, Cooper, and Santora (2011) conducted a large survey of 1,448 managers and senior executives that were members of the Australian Institute of Management in order to investigate the relationships among leadership vision, organizational culture, and support for innovation in not-for-profit and for-profit organizations. The results showed that leadership vision was strongly and positively related to a socially responsible cultural orientation in not-for-profit organizations. Therefore, leadership vision was seen as a key contributor in supporting for innovation.

These studies have shown that there exists a relationship between transformational leadership and organization innovation, defined as the implementation or adoption of new, useful ideas by people in organizations (Amabile and Conti, 1999: 630). As in this research, organizational innovation can be applied to the adoption of earned income opportunities.

CHAPTER 3

RESEARCH METHODOLOGY

This chapter begins with the details of the research study, including the restatement of research questions and methods, selection criteria, data collection, and data analysis.

3.1 Research Questions

This study seeks to understand and describe how social enterprises adopt earned income opportunities and what factors contribute to this adoption. Therefore, the main research question concern how social entrepreneur adopt earned income opportunities. Based on the main research question, the sub-questions are as follows:

3.1.1 How do social entrepreneurs describe legitimacy factors that contribute to the adoption of earned income opportunities?

3.1.2 How do social entrepreneurs describe the pressuring constituents that contribute to the adoption of earned income opportunities?

3.1.3 How do social entrepreneurs describe the degree of interconnected that contribute to the adoption of earned income opportunities?

3.1.4 How do social entrepreneurs describe the financial constraints that contribute to the adoption of earned income opportunities?

3.1.5 How do social entrepreneurs describe the top management commitment that contributes to the adoption of earned income opportunities?

3.1.6 How do social entrepreneurs describe the human resource readiness that contributes to the adoption of earned income opportunities?

3.1.7 How do social entrepreneurs describe the entrepreneurial orientation that contributes to the adoption of earned income opportunities?

3.1.8 How do social entrepreneurs describe the organization size that contributes to the adoption of earned income opportunities?

3.1.9 How do social entrepreneurs describe the leadership that contributes to the adoption of earned income opportunities?

3.2 Research Method

Qualitative research involves “inductive theory-generating” as opposed to the deductive, theory testing in quantitative research. Inductive reasoning is described as moving from a specific state to a broader state. Deductive reasoning is described as how the data in a study can stand alone with out much interpretation. Additionally, those scholars that perform qualitative research methods may include an explanatory and an interpretive strategy that involves the data collected (Wilkins, 2010: 88). A qualitative approach was selected based on social constructivism as discussed by Cresswell (2003: 18) in the following passage:

“a qualitative approach is one in which the inquirer often make knowledge claims based primarily on constructivist perspectives (i.e. the multiple meanings of individual experience, meaning socially and intrinsically constructed, with an intent of developing theory or pattern).”

Based on the work of various scholars, Cresswell (2003: 6) identifies five strategies used in qualitative approach: ethnography, ground theory, case studies, phenomenological research, and narrative research. Ethnography originated in anthropology research and allowed the researcher to act as a participant in the study. Grounded theory is similar to ethnography in that it is used to develop a theory based on a conceptual approach to the data collected. The narrative research method consists of biographic data given by the person that actually experiences the event (Rudestam and Newton, 2007: 44). Phenomenology seeks to establish the meaning of events through a documentary-style approach to gaining insight on a particular subject (McNabb, 2002; Rudestam and Newton, 2007: 77).

The case study was employed in this study. It is defined as a research methodology that is used to examine a body of knowledge and most often examines a

real-life phenomenon in its natural setting, which is context-sensitive research, or theory that is in its formative stages and is useful in capturing knowledge of those experiencing that being studied (Triscari, 2009: 84). Yin (2003: 9) states that a case study is used to explain how or why question of a given event. In addition, the case study is a method that a researcher uses to explore an in-depth program, event, activity, process or one or more individuals. It is bounded by time and activities and it collects detailed information using a variety of data collection procedures (Cresswell, 2003: 15). A case may be comprised of “a person, a group of people, or an organization” (Cepeda and Martin, 2005: 853). All sizes of organizations can be studied using the case study methodology. The present study examines how social enterprises adopt earned income opportunities.

Stake (1995) asserts that a qualitative case study does not seek to establish a generalization, but rather particularizes; it takes a particular case and enables us to know it well. The case study approach was an appropriate choice for this research because it promotes intensive description and analysis of a single unit or bounded system (Merriam, 1998). Different kinds of case studies include exploratory studies (often used prior to creating a research question or hypothesis), explanatory case studies (used to determine causation), and descriptive case studies (which begin with some sort of descriptive theory). The case study is demonstrated through an explanatory method, which serves to cultivate a “causal explanation of some social phenomenon” (McNabb, 2002: 270). In this instance the social phenomenon centered on the adoption of earned income opportunities.

There are three types of case studies: a single case study, a multiple case study, and an intrinsic case study (Cresswell, 2007: 74). The single case study is appropriate when the case is revelatory and where there is an opportunity to investigate a phenomenon that was not previously possible. The intrinsic case study refers to when individuals are interested in a subject for personal reasons and not to further or better the case or a certain phenomenon. The multiple case or collective case refers to when several cases are examined to develop outcomes that contribute to further understanding of the theory (McNabb, 2002: 287). A multiple case study was preferred in this study because the analytics benefits from having more cases are substantial and robust (Yin 2003: 53). The multiple case study follows a replication

logic in which the research replicates the procedures for each case and it is analogous to the logic used in multiple experiments (Yin, 2003: 48). Each case should be explored for a specific purpose (Truitt, 2007: 29). Moreover, Miles and Huberman (1994: 173) have stated that multiple cases provide more “sophisticated descriptions and more powerful explanations.” In the multi case approach, a case is selected so that it may either predict similar results as in the other cases (e.g. literal replication) or it yields contrary results for predictable reasons (e.g. theoretical replication) (Barreto, 2003: 138). In this study, three multiple case studies were applied to find a common understanding of the role that institutional, legitimacy, resource, organizational and entrepreneurial factors has contributed to the adoption of earned income opportunities. Within multiple cases, each individual comprises a whole study to collect a substance of the findings and conclusions of the case. The other following case should replicate the conclusions of the first case. Consequently, a narrative description of the findings of the three cases is present, followed by cross-case comparison.

3.3 Sampling and Population

For this study, the units of analysis were at two levels: the organization, and the members within the three nonprofit organizations. According to Barreto (2003: 128), the unit of analysis can be viewed as the main entity type being study, about which data are gathered. Yin (2003: 56) suggests a general guide to determine the unit of analysis of a case study, where the researcher reflects on how the research questions will be defined/stated. The research questions in this study attempt to explain how nonprofit organizations adopt earned income opportunities in response to resource and institutional pressures.

In qualitative research, a purposeful sampling is preferred to random sampling. Hofer and Bygrave (1992: 95) have suggested that “purposive sampling, stratified sampling, or variable probability sampling are better than random sampling.” While Flyvbjerg (2004: 425) recommends the use of information oriented sampling because a randomly selected case may not contain the most useful information for examining the desired phenomenon. Creswell (2003: 75), similar to Flyvbjerg, posits that purposeful sampling involves the researcher selecting sites and participants because they can

provide information pertinent to the research topic. Purposeful sampling is often used to select a small sample of participants from which information about the phenomenon can be learned (Merriam, 2002: 12, Triscari, 2009: 100). It is further intended that through purposeful sampling and the perspectives of the participants that in-depth, rich data can be gathered and analyzed to bring about a deeper understanding and illumination of the problem being studied (Patton, 2002). A purposeful sample was particularly relevant to this qualitative study because of the small sample size. The specific sampling strategies used for this study were comprised of criterion sampling. Criterion sampling involves selecting cases that meet some predetermined criterion of importance (Patton, 2002: 238). It can be useful for identifying and understanding cases that are information rich. The selection of appropriate data sites for a case study approach should be based on the underlying theories that conceptualize the research problem (Yin, 2003: 52). Theory is useful in helping to design the boundaries of the study as well as in enhancing the generalizability of the findings. Yin points out that the role of theory in a case study is not only to establish causality, but rather the theory informs the design of the method so that it is based on issues learned from the literature or other pertinent sources. Yin (2003 quoted in Barreto, 2003: 139) advises that the researcher should impose boundaries on the phenomena he or she seeks to investigate in order to keep the study manageable and useful. The subjective nature of a case study has often led researchers to collect data that are not connected to the study.

3.3.1 Selection Criteria

The first level of sampling involved selection of the site or the organization. The lists of criteria to set boundaries and optimize the usefulness of the data were as follows. 1) The organizations should be based in Thailand. For pragmatic reasons, all of the sites selected needed to be located in Thailand in order to provide the researcher with choices for the data collection effort. 2) The organizations should have developed earned income activities. The study aimed to understand and describe the adoption of earned income opportunities in nonprofit organizations; therefore, a potential data site needed to have adopted some type of earned income activities. 3) The organizations had to be nonprofit.

Stake (2006: 22) states that the appropriate number of cases range from four to ten, while Creswell (2007: 76) suggests that “there is not a set of number of cases, however, typically the researcher chooses no more than four or five cases.” Yin (2003: 53) suggests that the simplest of multiple case study designs would be the selection of two or more cases that are believed to provide literal replication in order to determine their support of the research proposition. In addition, Yin (2003) suggests using a case that is expected to demonstrate contrasting results from predictable reasons, defined as theoretical replication. Following the guideline from Stake and Yin, and Creswell, the three sites were selected based on the criteria mentioned above: the Population and Development Association, the Thai Holistic Foundation, and the Suan Kaew Foundation. In addition, these were appropriate in terms of the pragmatic time and resource constraints. The participants this study were the chairman/founder/secretary general of each organization and the key members of the organizations: financial managers, treasurers, project managers based on the recommendation of the chairman.

The Population and Development Association was established in 1974. The founder is Meechai Veeravaidya who is well known for a birth control project by popularizing condoms. Its original mission was to assist the government in handling the country’s rapid population growth, which was considered one of the factors inhibiting the country’s development. Its current objectives are: 1) to educate the public about family planning and enable people in all communities to have convenient access to family planning knowledge and services, to help the country promote family planning so that the rapid rate of population growth can be reduced; 2) to encourage communities to initiate and take part in community development; 3) to assist the government in development work so as to improve people’s way of life, their health, and the environment in which they live; and 4) to function as a communication center where people can exchange knowledge and ideas on population studies, family planning, and community development.

The current PDA project involves the following areas: health, HIVs and family planning, income generation and poverty reduction, rural microcredit, water and environmental development, youth development, education and nutrition, corporate social responsibility, emergency relief services (CBERS), the Asian center

for population and community development (ACPD), NGO sustainability, and human rights promotion.

The PDA receives funds from five different sources: 1) international organizations (e.g. WHO, USAID), 2) local organizations (e.g. PTT, Nike Thailand, East Water Resources), 3) PDA income generating activities (e.g. family planning services, educational training services), 4) PDA companies and subsidiaries (e.g. Population Development Company, Nangrong Pattana Co. Ltd.), and 5) fund raising activities setting up donate boxes and setting up a PDA in the USA).

The Suan Kaew Foundation (1986) was registered on July 29, 1986 with its main office at Suan Kaew Temple. Its objectives are: 1) to spread the Buddha's teaching, 2) to support and encourage people that intend to do good deeds, and 3) to see that good people have good jobs. In accordance with these objectives, the specific activities of the foundation are: 1) spreading Buddhist teaching 2.) helping those that do good deeds on a case to case basis, 3) sponsoring novice ordination every summer, 4) hosting a Children's Day Fair every year, 5) giving education scholarships to poor children, and 6) cooperating with other non-profit organizations. These activities are subsumed under different projects. The projects of the Suan Kaew Foundation fall into three categories-non-income generating, projects, self-supporting projects, and income generating projects (Sutannee Keesiri, 2002: 88).

The Thai Holistic Health Foundation was established in 1996. Its origin stemmed from the Traditional Medicine for the Self-Reliance Project under the patronage and subsidy of the Komol Keemthong Foundation. This project was intended to help people in rural areas use herbs for self curing and health care. At that time, only 30 percent of Thai people could avail themselves of modern medication. At present, the foundation focuses on public health activities in new and broader ways concerned with health, mind, society, and the environment. The foundation also encourages income-generating activities among rural producers and consumers in order to create a better society and environment for most people (Narong Koojareonprasert, 2002: 102). Similar to the PDA, the THAIHOF's sources of funds are from: 1) local organizations (e.g. Komol Keemthong Foundation, the Ministry of Public Health, 2) international organizations (e.g. the Canadian Friends Service Committee, and the Committee Catholic Conpre La Faim Pour Development and 3)

income generating activities (e.g. Friends and Nature Club, Thai Holistic Health Center).

The sites selected for this study were based on the studies of Amara Pongsapit et al. (2002) and Juree Vichit-Vadakan (2002) which employed the international classification of nonprofit organizations (ICNPO), grouping organizations into twelve major activity groups regarding economic activity. These include culture and recreation, education and research, health, social services, environment, development and housing, law advocacy and politics, philanthropic intermediaries and voluntarism promotion, international religion, business and professional associations, unions, and “not elsewhere classified.” In this study, the selected cases were in the area of religious, social services, and health.

The second level of sampling involved the selection of the participants or interviewees. The individuals to be interviewed were selected from the following groups: administration, department heads or project heads who were involved in the adoption of earned income activities, and customers or clients. These participants were selected because they could provide rich information on how these nonprofits adopt their earned income opportunities.

3.4 Data Collection

There are six main types of data related to case studies: documents, archival records, interviews, direct observation, participant observation, and physical artifacts (Yin, 2003: 85). In order to obtain the detailed information needed for the description required in this research, multiple sources of data were used. Textual data were collected from the participants through interviews, and documents.

3.4.1 In-depth Interview

In-depth interviews provided the main source of data for this research. The purpose of in-depth interviewing is not simply to obtain answers to questions, or to test hypotheses, but to understand the experience of other people and the meaning they make out of that experience (Seidman, 2006: 10). The objective of the in-depth interview is to help the researcher focus on issues which require in-depth investigation

and to transfer the framework to the priori theoretical model for empirical testing. It can provide information which observation does not (Bhassakorn Chanpayom, 2001: 70). Each participant was interviewed in the organizational setting. Participants were given the interview questions prior to the interview, and an interview protocol (see Appendix A) was used during the interview. The interview protocol included the dissemination of a recruitment letter with introductory information, the purpose of the research study, and a place to sign a consent to participate in the study. An icebreaker question was asked at the beginning of the interview, followed by questions related to the research questions (Hatch, 2002). The interview protocol concluded with a question asking participants for additional information and closing remarks. Interviews were comprised of open-ended questions in order to gain as much information as possible. This tends to be the case in qualitative research (Merriam, 1998; Yin, 2003) because an open-ended question does not place pressure on the interviewee for an answer (Seidman, 2006: 84). Interview questions were developed based on the central research question of how they adopt earned income opportunities.

The interviews were audio recorded and later transcribed. Recording the interviews whenever possible allowed the researcher to record every word, as shorthand cannot account for laughter and pauses in the dialogue. Notes were also taken in detailed memo format to record the non-verbal reactions during the interviews, as participants often reveal stories beyond the words available. For example, if a participant winced or sank down in his or her seat in response to a question, the facial expression may suggest an adverse reaction to the topic or an adverse experience. Note-taking of key words and gestures compelled the researcher to concentrate on the participants more closely and to be more observant of the participants' non-verbal responses (Merriam, 1998). All recordings were transcribed using a transcription service, which was held to the strictest confidentiality standards. The digital devices were housed in a safe location in a locked filing cabinet, and the computer used was password protected. After the study was completed, all recordings were destroyed in order to ensure confidentiality.

3.4.2 Documents and Observations

In addition to the interviews, observational data were necessary to strengthen the data obtained through the interviews because interview and survey data are based

on interviewee's perception. Observation data were comprised of information that could be seen directly by the researcher. The observations included in this study were at nonprofits' sites of their business activities.

Documentary or archival data are always used to supplement other methods (Bhassakorn Chanpayom, 2001: 70). They are also collected as a means of triangulation (Hatch, 2002). Merriam (1998) has stated that document analysis is a valuable data collection method due to the fact that documents are generally free, accessible, and stable in that data are objective and unaltered by the presence of the researcher. Unobtrusive data related to the adoption of earned income opportunities were collected in the form of documents. The documents that were analyzed in this study included annual reports, books, internet archival, brochures, publications, videos, CDs, etc.

3.5 Data Analysis

The goal of this research study was to develop multiple case studies to investigate the patterns in the data and to identify themes that describe the role and impact of factors as regards the adoption of earned income opportunities. The data analysis process used in this research study was patterned after Hatch (2002: 148), who stated that analysis means organizing and interrogating data in ways that allow researchers to see patterns, identify themes, discover relationships, develop explanations, make interpretations, mount critiques, or generate theories. According to Creswell (2003: 191-195), there are six steps analyzing data in qualitative research beginning with the researchers organizing and preparing the data for analysis. After conducting interviews with the participants, the researcher transcribes the interviews verbatim. Transcripts are reviewed and compared to taped recordings to ensure that the participants' words are accurately transcribed. Then the researcher organizes the data by source. The next step in data analysis is reducing the data into themes through a process of coding and condensing the codes. Once the data are organized for analysis, the researcher reads through the interview transcripts and makes notes in the margins to create initial codes. The researcher compares these initial codes to eliminate duplicate codes and adds new codes before continuing with the data analysis

process. Observation protocols and artifacts are also reviewed to find patterns across all three sources of data. Finally, similar codes are grouped into categories using categorical aggregation to find emerging themes. Themes which emerged are listed. The final step in data analysis is to represent the data in various forms.

Multiple case studies can contain both individual cases and cross case analysis (Yin, 2003). As such, there are two stages of analysis: within-case analysis and cross-case analysis (Merriam, 1998: 194). Within case analysis allows the treatment of each case individually, and cross-case analysis allows for the building of abstractions and explanations across cases (Merriam, 1998; Yin, 2003).

3.6 Validity and Reliability

In order to validate the accuracy of the findings, the participants reviews the interview reports and transcriptions to ensure accuracy (Yin, 2003). The multiple methods of data collection utilizes triangulation of findings in order to be sure that the findings and conclusions are valid and reliable (Stake, 1995; Yin, 2003). Additionally, throughout the study, member checks were used in order to guarantee that valid conclusions were drawn from the data (Merriam, 1998). The data and the interpretations were given back to the participants for their feedback. Each of the participants was able to review his or her responses and make changes wherever necessary. The participants were then able to discuss the responses and the researcher's interpretations of the responses. Finally, the external auditors (dissertation committee chair and other committee members) reviewed the interview data and preliminary coding, themes, categories, and interpretations (Creswell, 2003).

CHAPTER 4

RESEARCH FINDINGS

The researcher analyzes the background, objectives and activities of three popular nonprofit organizations, the Population and Community Development Association, the Suan Kaew Foundation, and the Thai Holistic Health Foundation and studies the factors that influenced these organizations to successfully adopt income generating activities.

4.1 Population and Community Development Association

4.1.1 Background

Mechai Viravaidya, the founder of the Population and Community Development Association, was a politician and activist in Thailand who has popularized condoms in that country. Since the 1970s, Mechai has been affectionately known as "Mr. Condom", and condoms are often referred to as "Mechais" in Thailand. In 1974, Mechai Veeravaidya resigned from the National Economic Development board to pursue his desire to contribute to poverty alleviation, and rural development. He established the Population and Community Development Association (PDA) to assist the Thai government in promoting family planning in Thailand. At that time the country's population had grown rapidly and it was considered a barrier to the country's development. The Community Based Family Planning Service Program, funded by the International Planned Parenthood Federation (IPPF), was set up to educate the public on family planning in urban and rural areas of Thailand. The PDA recruited and trained members of local urban and rural neighborhoods to distribute and explain information on affordable contraceptives directly to their communities. This distribution network covered more than one-third of the country, thus contributing significantly to the decrease in the

annual population growth rate from 3.3% in the mid-1970s to 0.6% in 2005. During the same period, the number of children per family fell from seven to less than two.

In the beginning the PDA was a small organization with only ten staff members and US\$ 200,000 in funds. However, it has grown to be one of the most well-established and diverse non-government organizations, employing over 900 staff members and working with over 12,000 volunteers with a budget of over 100 million baht (US\$ 3,300,000) per year. The PDA network has grown to sixteen regional development centers and branch offices located across 15 provinces in rural Thailand.

4.1.2 Objectives

The PDA has the following objectives: 1) to educate the public about family planning and to enable people in all communities to have convenient access to family planning knowledge and services, to help the country promote family planning so that the rapid rate of population growth can be reduced; 2) to encourage communities to initiate and take part in community development; 3) to assist the government in development work so as to improve people's way of life, their health, and the environment in which they live; and 4) to function as a communication center where people can exchange knowledge and ideas on population studies, family planning, and community development.

4.1.3 Activities

The PDA's programs are based on the belief that local people are best suited to shape and sustain their own development. Therefore, the PDA has pioneered grassroots growth, encouraging villager involvement not only as beneficiaries but also as planners, managers, and leaders. The PDA's projects are involved in the following areas: health, HIV/AIDS, family planning, income generation and poverty reduction, rural microcredit, water and environmental, youth as agents of change today and leaders of tomorrow, education and nutrition, emergency relief services, Asian center for population and community development, NGO sustainability, and international and human rights promotion.

4.1.3.1 Health, HIV/AIDS, and Family Planning

The PDA's family program includes the non-physician, community-based distribution of oral contraceptives and condoms, as well as a clinic referral

service. The PDA remains involved in health care through family planning clinics in Bangkok and three provincial cities: Chaingmai, Chaingrai, and Nakorn Rachasima, as well as mobile health vans which further extend basic health care, and school and industrial health care, including x-rays. The services provided by family planning clinics include pregnancy termination services for the poor. By charging fees significantly lower than private clinics, the program has attracted a wide client base and has become self-sufficient.

4.1.3.2 Income Generation and Poverty Reduction

The Thai Business Initiative in Rural Development (TBIRD) was launched in 1988 to bring financial, technical, and managerial resources of the private sector to poorer areas. By fostering or adopting a village, a company can help the less privileged to earn a reasonable income through sustainable agricultural projects, cottage industries, and small enterprises. TBIRD had grown to involve over 140 companies in 280 projects, bringing over US\$50 million in resources to rural Thailand. Due to the involvement of many international companies, TBIRD at one point was renamed Business for Social Progress. Eventually, TBIRD transformed into the Village Development Partnership (VDP), which has been implemented in over 400 villages.

The Village Development Partnership aims to empower rural communities to eradicate poverty and improve their quality of life. The VDP addresses issues in five key areas of: community development, empowerment, economic development, environment, and health and education by creating partnership between the villagers and a sponsoring company or organization. It is one of the successful and sustainable models of empowerment and self-help with shared responsibilities and shared opportunities between the business sector and communities.

The VDP encourages empowerment to the communities by establishing a Village Development Committee, comprising the young, middle-aged, and elderly, of whom 50% must be women, in order to assess the needs of the community and to develop the villages' development plans. This creates a strong sense of ownership since the idea of development is from the community itself. In the end, the Village Development Committee becomes a permanent people's institution for the village. Moreover, this empowering approach ensures that the community

understands, manages, and leads its own development. In order to raise income and to eradicate poverty, the VDP provides funds to the community in exchange for tree-planting at the rate of 40 baht per tree. Business skills training and access to micro-credit through the Village Development Bank provides villagers with the opportunity to start or expand income-generating activities; loan repayments then go toward increasing the available pool of credit and funding further development activities.

The VDP process comprises three phases. The first phase is institutional development and planning. It starts with building a common understanding among villagers and forming the Village Development Committee. The VDC committee members are then trained and community needs are assessed. The VDC also develops a preliminary plan and improves it until final agreement is reached. The development plan indicates the community's goals and activities. The second phase begins when the plan is implemented. For example, activities might include tree planting, a school lunch farm, water for health and wealth, formation of a Development Bank, etc. The last phase is monitoring and evaluation. Throughout the projects, PDA staff members regularly visit the village to discuss issues with the various committees and councils, provide advice, and request updates on activities. The PDA's Research and Evaluation Division (RED) staff are engaged in program evaluation and impact assessment.

4.1.3.3 Rural Microcredit

The VDP not only focuses on empowering rural communities, but also on reforestation as a means of capital formation through the Village Development Banks (VDB). The project promotes community participation in forest conservation and replenishment of public lands and degraded areas, such that the degraded area can be turned into economic use.

The Village Development Bank is funded by tree planting. At a rate of 40 Baht per tree, a VDB accumulates its revolving funds from the community planting. The trees are inspected after every year of growth and a financial bonus is put into the revolving fund for every tree that is healthy. At the same time, a deduction is made for every tree that is dead. In order to borrow from the bank, one must be a member of the bank through buying a certain number of shares, and by opening a savings account. Currently, the interest rate on the savings account is six

percent, which is considered a high rate compared to that of commercial banks. The bank gives loans to individuals or groups to start up income-generating business ventures. A significant portion of the profits from the Village Development Bank go towards community development activities.

The PDA's Water Resources Development (WRD) project also works with communities to help them establish, manage, and maintain their own water systems. By offering loans, the PDA assists villagers in building water systems of their own. The villagers typically are able to pay back the loan within 3 years. The repaid loan funds go into a revolving fund, which supports villager training in building and operating water systems and which can be reinvested in new water system development projects in other villages. Like other projects of the PDA, the WRD project links its activities in water resource development with income generation. Water is used for growing cash crops, vegetables, and raising fish and shrimp, among other income-generating activities. Another initiative called the Sky Irrigation Project helps villages develop vegetable banks and water systems that allow year-round production of cash crops. The food produced is not only sold to provide income for villagers, but is also used to feed their families.

4.1.3.4 Youth as Agents of Change Today and Leaders of Tomorrow

1) The Village Toy Library

The Village Toy Library (VTL) aims to foster a new generation of community-minded and philanthropic children. The project offers an opportunity for young urban children to donate toys and books, both new and used, to rural children. The PDA will distribute them to the libraries of villages and schools. At present, there are three pilot libraries in Nakonratchsima and Burirum. The PDA works with the Village Youth Council, whose area was part of the Village Development Committees to determine the appropriate location for toy libraries. The libraries also serve as a daycare, recreational and children's computer center. The toy lending guidelines are developed by junior leaders. In order to borrow, children are required to perform environmental community service, for example, picking up trash and recyclable materials in the community, which junior leaders can in turn sell as a source of income generation. Any proceeds from the activities are placed in a Village Toy Library fund which is a part of the Village Development Bank. This fund is used

to cover VTL expenses in the future, and moves it toward becoming a self-sustainable library.

2) The Village Youth Government

The PDA has also encouraged youth empowerment for many years, providing skills training and “life-skills” education to hundreds of thousands of students and their teachers. The PDA started the Village Youth Government in 2000 to give a voice to the youth in rural communities; the Village Youth Government is designed to be a permanent village institution which will push future generations toward active involvement in political and community-building affairs. Over the last ten years, all former youth government participants, upon compulsory “retirement” from the youth government at age 25, have been elected to the local Tambon Administration Organization.

Young people in each village elect eight dynamic leaders between 14 and 24 years of age to become Youth Government officers. To ensure fair and diverse representation, the government must be half male/half female, and officers come from different educational levels, including out of school system.

Youth officers learn about writing proposals, planning projects, holding meetings, public speaking, and promoting democratic governance. After training, they manage and organize activities and events around social and economic issues, culture, and health and environmental education.

The three main benefits of the Village Youth Government are:

(1) Youth education: Young people are given the opportunity to take leadership roles and responsibilities. Ownership of problems and social awareness at this early age serves as training for future leaders at the village-level.

(2) Gender equality: In a male-dominated community, the gender-balanced youth government works to empower women and to change attitudes toward traditional gender roles.

(3) Income generation: The Village Youth Government receives business training and often launches new initiatives within the community.

4.1.3.5 Education and Nutrition

1) The School Lunch Farm

The school lunch farm is a sustainable method to solve food shortage problems at school and at home. The entire community takes ownership of the project: village members volunteer their labor to set up farm infrastructure, students cultivate the crops and raise the animals, and parents and teachers provide guidance and training. Each school has a subcommittee composed of parents, teachers, and students who oversee different kinds of farm activities. Farming is even integrated into the educational curriculum so that students are graded on their care of the farms, and learn important lessons about responsibility. Some of the food, including vegetables, herbs, mushrooms, fish, and poultry, are used for school lunches and the surplus is sold to buy more expensive items such as rice or to invest in the next cycle of crops and animals. The farms are highly environmentally-friendly, utilizing organic fertilizer and bicycle-powered or rainwater-based irrigation systems. School communities reap tangible benefits from the farms in terms of income and food, and they also feel a heightened sense of self-sufficiency and empowerment upon seeing their own hard work transformed into reality.

2) Lamplaimat-Pattana Primary and Secondary Schools (LPMP)

James Clark, a successful English businessman and technology entrepreneur, and Mechai began funding the construction of LPMP in 2001 and the Primary School opened on May 16, 2003. The Primary School offers free, private education to children in Buriram province. The objective of the school is to create strong leaders and responsible community members by utilizing teaching methods that foster the students' creative process. In 2009, the Secondary School was opened adjacent to the Primary School to continue this revolutionary education for the children of Buriram province.

In 2007, the school was assessed by the Office for National Education Standards and Quality Assessment as second out of 32,000 primary schools: there was only one school with a slightly higher grade than LPMP. Also, the Faculty of Education, University of Tasmania, Australia in 2006 assessed LPMP to be a "world-class school, with a high quality of education comparable to privately-run international schools." The school is widely praised for its innovative techniques and teachers.

The students are encouraged to develop solutions by using available resources. This technique facilitates the development of the students to be future leaders, entrepreneurs, and innovators. Students are taught in a hexagonal classroom to emphasize teamwork and cooperation amongst their peers.

4.1.3.6 Community-Base Emergency Relief Services (CBERS)

1) Post-Tsunami Rehabilitation Program

The PDA first became involved in post-emergency relief services with the fleeing of hundreds of thousands of Khmer refugees from Cambodia in the late 1970s and early 1980s. Afterward, the PDA implemented health-related activities in the post-Tsunami rehabilitation project in the southern provinces of Thailand, including water and sanitation, psychological counseling, youth empowerment, and environmental conservation. In addition to these programs, the PDA has implemented livelihood rehabilitation programs designed to improve the standard of living.

2) Health Services

A mobile environmental education unit travels to communities and schools to provide information and training on how to cultivate and preserve the local natural environment. The “environmental bus” uses multimedia to teach about the local ecosystem, alternative energy sources, and what villagers can do to protect their environment. The multimedia education even shows how to generate income by setting up garbage banks.

4.1.3.7 The Asian Center for Population and Community Development

The Asian Center for Population and Community Development (ACPD) was established in 1978 as an international training house of the PDA. Its creation was in response to the need for disseminating information and experience in community-based and community action concepts in population management and development activities among developing countries. The APCD offers four courses of training: NGO financial sustainability and business initiatives, the corporate social responsibility (CSR), village development partnership, HIV prevention/care strategies and empowerment of people living with HIV (PLWH), and advanced training of trainers. The duration of each course is about two to three weeks. The tuition fees are US \$850 for one week, US \$1,600 for two weeks, and US \$2,400 for three weeks.

In addition to the training courses, the Asian Center also offers consulting services, personalized training courses, and study tours to suit the specific needs of individual groups in the area of: community-based family planning and development, community-based water resource development, environment, health, and community development, rural income generation and business initiatives in economic development, and youth and democracy.

4.1.4 Earned Income Activities

Toward the end of the 1990s, Mechai and his two close associates, Tawatchai Traitongyoo and Sutha Chatchawalwong, developed a plan to sustain the PDA in the future. Their plan was based upon the underlying assumption that the donors support of the NGOs will decline; therefore, self-reliance activities had to be built upon a foundation to be independent from externally-funded donors. By law, NGOs like the PDA which are registered as an association, and are one form of a charitable foundation, engaging in business activities will be taxed at a high rate. Associations and foundations registered under Thai law are subject to pay corporate income tax on gross income before the deduction of any expenses. The tax rates are: 1) 2% on gross income under Section 40(8) of the Revenue Code (i.e. income from business, commerce, agriculture, industry transport, etc.), and 2) 10% on any gross income other than income under Section 40(8) of the Revenue Code (i.e. interest, dividends, capital gain, rental, commission, professional fees). Therefore, the PDA has registered its for-profit activities in terms of business entities, as a limited company. The PDA has established sixteen for-profit companies ranging from clinics for family planning to restaurants and resorts. Some of the companies aim at making a profit. Others, especially those working with the communities, only seek to be self-sufficient. The PDA affiliated companies are listed as follows:

Table 4.1 Population and Community Development Affiliated Companies

Company	Established date	Authorized share capital	Address	Chairman	Managing Director	General Manager
Population and development Co., Ltd.	14 Dec 1976	20 million baht	8 Sukumvit soi 12 Bangkok	Tawatchai	Boonkit	
Rural Small Scale Industry Co., Ltd.	17 Jul 1985	8 million baht	6 Sukumvit Soi 12 Bangkok	Tawatchai	Sunida	Jintana
Nangrong Patana Co., Ltd.	14 Jul 1986	12 million baht	81 moo 6 Nangrong Burirum	Tawatchai	Booncherd	Prayom
Sarakham Banpai Development Co., Ltd.	15 Sept 1986	15 million baht	30 Moo 13 Maung Mahasarakham	Tawatchai	Wilas	Pichai
Rural Environmental Sanitation Development Co., Ltd.	16 Sept 1986	4 million baht	151 Moo 1 Banpai Khonkan	Tawatchai	Wilas	Wicha
Wieng Pa Pao Pattana Co., Ltd.	12 Dec 1986	10 million baht	153 Moo 6 Weing PaPao Chaingrai	Tawatchai	Songnam	Mongkol
Health North Co., Ltd.	28 Sept 1987	16 Million baht	167 Rachmanka Rd. Maung Chaingmai	Sutha	Chusak	Worapoj
Health Northeast Co., Ltd.	13 Oct 1989	7 million baht	86/1 Suebsiri Rd. Maung Nakhon Ratchasima	Tawatchai	Not available	Not available
Phutthaisong Development Co., Ltd.	16 Feb 1999	5 million baht	505 Moo 1 Phutthaisong Burirum	Praween	Pongsan	Not available

Table 4.1 (Continued)

Company	Established date	Authorized share capital	Address	Chairman	Managing Director	General Manager
Punoi Development Co., Ltd.	20 Aug 1999	5 million baht	269/1 moo 1 Saiyok Kanchanaburi	Tawatchai	Sunida	Nuttapol
Lumplaimat Development, Co., Ltd.	11 May 2000	25 million baht	130 moo 13 Lumplaimat Burirum	Tawatchai	Booncherd	Wicha
Sub Tai Development, Co., Ltd.	19 May 2000	25 million baht	96 Moo 6 Pakchong Nakhon Ratchasima	Tawatchai	Boonkit	Titaya
Jakkarat Development Co., Ltd.	17 Oct 2000	4.5 million baht	146 Moo 14 Jakkarat Nakhon	Praween	Wilas	Booncherd
Quality Health Development Co., Ltd.	12 Mar 2003	3 million baht	405 Hauraw Pitsanulok	Praween	Wilas	Weerasak
Krabi KaoKram Development Co., Ltd.	12 Feb 2007	1 million baht	441 Moo 1 Kaokram Krabi	Wilas	Urai	Nittaya
Punoi Development Co., Ltd.	29 Jan 2007		75 Moo 7 Photharam Ratchaburi	Tawatchai	Sunida	Tosapol
Business for Rural Education Development	Nov 2009	5 million baht	6 Sukumvit Soi 12 Bangkok	Mechai	Kritsada	Nittaa

4.1.4.1 Population and Development Company

The Population and Development Company (PDC) is the first for-profit company of the PDA. In promoting family campaigns in rural areas, one of the most frequently-asked questions of field staff by women that came to seek advice was what to do about unwanted pregnancies. At that time, Thai law was ambivalent on the

issue of abortion. Moreover, in the 1970s, safe abortion was unavailable to most of Thai women seeking the service. Still, even in the absence of legal clarity and safe abortion services, there was sufficient evidence that there were a massive numbers of abortions in Thailand. Unwanted pregnancies were not only caused by rape but also by the lack of family planning success. As family planning became more popular and more couples began limiting their child bearing, Thailand's Total Fertility Rate declined from six or seven children to two or three children. However, the number of unwanted pregnancies increased, and women would go to illegal clinics and often required hospital emergency treatment for uterine infection or bleeding.

Mechai began to realize that the problem would continue unless there was a solution. He consulted with Malcolm Potts, a professor of population at the University of California, Berkeley. Professor Potts urged Mechai to establish a comprehensive clinic facility which could provide women with a full range of service, including ambulatory care, family planning, and pregnancy termination. One of the obstacles to set up the clinic was financial capital it would require a large amount of capital and a potential management staff to set up a modern clinic with equipment, supplies, and physicians. The solution for the financial capital issue was found with the International Pregnancy Advisory Services (IPAS), an organization which loans money to such multi-purpose clinics. To obtain a one-million-baht loan, the PDA was required to submit a proposition along with a business plan that forecast the repayment of the loan, and a plan for financial self-reliance. The first clinic was situated in the Patpong area in Bangkok, the most popular entertainment area in the city. The clinic managers' qualifications required someone that could run the clinic as a business entity at odd working hours, from noon to midnight. Sutha Chatchawalwong with an educational background in economics, at that time worked at the National Economic Development Board. He was Mechai's coworker at the NESDB and was encouraged by Mechai to manage the clinic. He accepted the offer, perceiving it as a new challenge and an opportunity.

In order to repay the IPAS loan, the clinic charged its patients a nominal fee for all medical procedures. The clinic was successful and the PDA was able to repay the loan to the IPAS, unlike the common experience in other countries' clinic where the IPAS had to convert the loan into grants. The clinic was relocated to

the PDA office at Soi 12 Sukhumvit Road in 1977 to be better supervised. From the first clinic in Bangkok, The PDA has expanded its operation to the rural area based on where The PDA's family planning community projects were operated. The second clinic was set up in Chaingrai in 1982, the third clinic was opened in Chaingmai in 1987, and the fourth clinic commenced operations in Nakhon Ratchasima in 1989. Apart from the clinical fees as income generating activities, the PDC has expanded its income generating activities into related areas of clinical practice (medical supplies), and non-related areas (restaurant). In addition, the PDC earns income through the sale of promotional items; for instance, formerly the promotional items included t-shirts, under-wear, socks, pens, and handkerchiefs. Family planning information and slogans were printed on the products to help spread family planning ideas, and to desensitize family planning practice. Today, the promotional items are changed somewhat to include key chains, t-shirts, lighters, umbrellas, coffee mugs, etc. The business has prospered every year, with approximately five to ten million baht contributed from this business as a donation to the PDA's development activities. By charter, PDC can only use its profits for humanitarian, and development oriented purposes, so a portion of its profit is transferred to The PDA as a donation

4.1.4.2 Community Based Family Planning Services (CBFPS)

In 1974, the PDA began with a grant from the International Planned Parenthood Federation (IPPF) to initiate and set up the Community Based Family Planning Services (CBFPS), based on the familiar concept of distribution of birth control pills and condoms through a community-based volunteer network. Condoms and contraceptives were donated to the PDA from various foreign sources from the beginning. In addition to the objective to increase the acceptance of the family planning methods, the project's objective was to become financially sustainable. In order to be self-reliant, the PDA applied the concept of bearable cost. With the contraceptives being sold to community members at a reduced price, it had to be sufficient to cover the operating costs of the CBFPS. The PDA's local distributors sell five brands of pills (Norinyl, Ovostat, Eugynon Yellow and Lo Femenal at eight baht per monthly cycle and Eugynon Brown at ten baht per monthly cycle). Meanwhile, condoms were supplied to distributors at nine baht per dozen. Then distributors were able to resell those to their customers for additional profit. Field supervisors made a

monthly visit to collect money from the volunteers and to replenish their stock and necessary logistics, as well as to make occasional spot checks to ensure the proper functioning of the system.

With this efficient system, the village program was able to achieve its objective of self-sufficiency within the specified time. The dependence on funds from the IPPF steadily declined over the five year period, with the project operating costs covered from this source falling from 88% in 1974 ,the first year of operation, to only 47% by the third year, and tailing off to zero by the end of 1979 (D'Agnes,2001).

Meanwhile, the PDC has become active in marketing condoms on a commercial basis through retail dealers and drug stores. Sales of condoms through this method reached 31,000 gross in 1989. Originally, these retail activities were based upon the repackaging of donated condoms to make a better appearance and to increase their marketability in the local condom market. They were sold under the brand name of Mechai. Despite the product constraints, in which quality was beyond the PDC's control, the condom distribution obtained a reasonable extent of market acceptance. The average sales volume reached 36,000 dozen per month, when the PDA in association with PDC became increasingly active in buying and selling condoms on a non-subsidized basis. Later, the PDA got involved in HIV/AIDS prevention campaigns, which promoted condom use as an effective method to prevent HIV infection. However, the PDA and the PDC have since both backed out from involvement in the condom marketing business.

Another program of the CBFPS was the Public Institution Program, which employed a similar strategy to the village program in reaching urban residents and members of institutions such as teachers, school children, low-income housing residents, and factory workers. As the program expanded to include general health check-ups in urban areas, based upon a mobile medical team, it was realized there was a potential for reasonably-priced, on-site pathological, and other physical examinations. Consequently the urban health bureau was established. The initial approach, using only stool-parasite examination, was expanded to include more comprehensive medical and dental check-ups in 1979. The program became very popular with school administrations and parents. Using a fee schedule that is much lower than that of similar services offered by doctors in private clinics, the program is today totally self-sufficient.

4.1.4.3 Cabbages and Condoms Restaurant

In 1977, when Pol Pot and his Khmer Rouge force defeated the Vietnamese military troops, hundreds of thousands Khmer fled the country to Thailand for freedom. Mechai was willing to help the refugee crisis situation, which was then attracting international agencies. He established the Community Based Emergency Relief Services (CBERS) to provide emergency relief to Khmer refugees at Khao I-Dang and Sa Kaew camps in Prachinburi province in 1979. Their initiative work started with food, skill training, and sanitation and vector control, and later with family planning. The United Nations High Commissioners for Refugees (UNHCR), at that time, was providing foods for refugees by purchasing from middleman who in turn purchased it from Thai farmers at a low price. However, Mechai wanted to purchase it directly from farmers and to give them a fair price. He proposed his idea to the government and the UNHCR, which accepted the idea with one large question: who would perform the middleman functions? Mechai offered the service of the PDA as the answer. Using the PDA's network, he began by identifying 16,000 villages as his suppliers. The PDA arranged the transportation and delivery from 16,000 villages to Bangkok of produce ranging from rice, cabbage, and kale, to cauliflower, onions, and garlic. Excess shipments were stored at PDA's Bangkok office. Residents nearby saw the vegetables at the office and began to ask if they could buy some. As a result, a small vegetable shop was set up in addition to a gift shop where family-planning promoting items such as lace panties, t-shirts, key chains, and condoms and contraceptives were sold.

Later he added a small restaurant for the PDA's staff after work. Mechai, named "Cabbages and Condoms." The name promoted the idea that condoms should be available without inhibition, as freely and conveniently as cabbages, and that sex or any sex-related topic could be discussed with ease similar to cabbages, which can be easily found in any restaurant. The word spread quickly and other customers began to visit the restaurant, not only for the cuisine but for the humorous decorating concept of the restaurant, where condoms are used as decoration: e.g. mannequins covered in condoms, flower lanterns hanging from trees made out of condoms, advertising on walls, a painting of the Mona Lisa holding a condom and the restaurant slogan "Our Food is Guaranteed Not to Cause Pregnancy." Mechai was

again conveying the message of safe sex, HIV prevention, and birth control by incorporating it into the experience of taking meals. Over the years, Cabbages and Condoms has opened four more branches in Pattaya, Wieng Pa Pao, Sub Tai, and Photharam. In addition to cuisine, Cabbages and Condoms markets handicraft items at the souvenir shops. Those items are produced by villagers that are part of the PDA network.

4.1.4.4 Rural Small Scale Industries (RSSI) Company

With a grant from Appropriate Technology International (ATI), Rural Small Scale Industries Company (RSSI) was established in 1984. Its objective is to act as a catalyst for rural employment generation in the agro-industry and agriculture related industries. It provides support in the form of minority holding joint ventures, loan guarantee funds, or enabling existing registered small-scale industries to expand. The primary criteria in lending money are based on the ability to repay, and the economic feasibility of the project so as to achieve maximum self-sufficiency. It has supported three companies: (1) The Thai Bamboo Plait Industry (TPI) purchases mats woven from bamboo grass by villagers for export to Korea, used there for drying seaweed. (2) The Rural Environmental Sanitation Development Company (RESD) constructs bricks, cement rings, latrine slabs and other components for home sanitation facilities. It also provides labor for construction works, factories and operates as a service center. (3) The Chiang Rai Thai Agro Industry (CTA) produces preserved ginger for export to Japan. Small loans are also available for individual micro entrepreneurs. Gender Sensitive Venture Capital (GSVC), a special initiative of RSSI, has traditionally been tried as a gender sensitive instrument for micro-enterprises, purely on a commercial basis, with the objective of increasing the value of the capital invested.

In the Venture Capital projects, the RSSI would share both in the risks and well as the rewards. Hence there is a need to participate actively in the management of the project, as an obligation of the RSSI staff is to link the borrower with technologies, markets, and administrative support in order to ensure to the best of their ability the profitability of the projects. The strategy from the venture capital investment is usually by selling back equity holdings to the entrepreneurs or to others in the market. The investor is prepared to wait for several years to realize the return

on the investment. In the case of micro enterprises, the trend is usually clear within a year or two. Exit is usually envisaged between two and three years. The RSSI has estimated a conservative return in terms of dividend at 12% per annum, which would be recovered once a year from each venture. A series of workshops has been undertaken at the field level to popularize the concept and to invite those with projects, which would then be screened for venture capital provision.

4.1.4.5 Business for Rural Education and Development Co. Ltd. (BREAD)

From a Skoll Foundation contribution in 2008, the Business for Rural Development Co., Ltd. (BREAD) was established to utilize profits for improving the quality of life for people in rural Thailand. It also aims to achieve profitability and eventually assist the PDA in obtaining a higher level of financial sustainability. BREAD provides quality products and services. By selling rural products online, BREAD realizes both objectives by creating value in the business world for consumers domestically and internationally. BREAD's product categories range from agricultural products, garments, office supplies, and souvenirs, to corporate gifts such as, brown rice, handicrafts, bags, brooches, magnets, USB drives, calculators, bottles, clocks, watches, t-shirts, jackets, hats, coasters, umbrellas, etc. BREAD also offers services such as rural tours, home stays, and event organizing and seminar training in order to improve customer organizations. BREAD also provides professional consulting such as CSR advisory services.

At present, the PDC along with the other fifteen for-profit companies operate and currently contribute sufficient funds to cover 70% of the PDA's expenditures, ranging from administrative costs to continued implementation of socially-oriented projects.

4.1.5 Sources of Funds

The PDA obtains its funds from two sources: fund donators, both international and domestic, and income generating activities from PDA's self-reliance projects and PDA's affiliated companies.

4.1.5.1 Fund Donors

1) International Donors

In the early years, the PDA acquired funds from international organizations by submitting proposals. These funds normally were initial funds to establish PDA's projects. Mechai as the chairperson and president, was the one responsible for fund raising, and the first international donor was the International Planned Parenthood Federation (IPPF), which funded the first project of the PDA, the Community Based Family Planning Service Program (CBFPS). Other projects such as the Community Based Appropriate Technology Development Services (CBATDS) were granted seed funding by the American non-government agency called Appropriate Technology International (ATI). ATI helped promote some small scale technology developments with integrated farming, biogas generation, and simple well construction and water pumping. The third project established under the PDA umbrella was the Community Based Emergency Relief Services (CBERS). It was initially funded by German Agro Action (GAA), a German NGO, which at the time, needed a Thai counterpart to help Khmer refugees. The Community Based Incentives-Thailand (CBIT) was an experimental project funded by an international agency called the Population Crisis Committee in Washington D.C. The project was designed to determine whether Thailand's birth rate could be reduced at the village level by linking development loan funds to the number of spouses practicing family planning. The Asian Center for Population & Community Development (ACPD) was formed in 1978 as a source of assistance and expertise for its international neighbors in the developing world, in response to the need for disseminating information and experiences of the PDA from its varied rural community-based activities. The ACPD's courses enabled participants to develop sustainable community-based development programs in the context of their own countries. The ACPD was originally supported by various funding agencies. The Japanese Organization for International Cooperation in Family Planning (JOICFP) provided the initial funds for the physical establishment of the center. In 1979, the Royal Netherlands Government became the major financial support for the center. TBIRD was another project which was supported by international donors. Its original funds were a donation from The Ford Foundation from 1990 through 1993. The German Agro Action (GAA) started to

provide assistance to PDA's TBIRD Bureau in 1994 and continued the funding until 2003.

2) Domestic Donors

When starting the Thailand Business Initiative in the Rural Development Project (TBIRD), the PDA explored the idea of utilizing the resources and expertise of domestic private companies to help rural community. Thus the private companies could share some of their wealth with the underprivileged. The private sector has a social responsibility to help those people that had been neglected in Thailand's economic growth. The program enlists the private sector to finance the costs of development in individual rural villages. TBIRD was originally funded by international donors, notably the Ford Foundation, but the PDA augments the impact of the foreign donor funds by recruiting domestic private companies to be responsible for rural development work. The pioneer domestic private companies were Swedish Motor, Co. Ltd. (Volvo), and Bangkok Glass Co. Ltd. The private companies can receive tax deductible contributions through the PDA. Since 1988, the PDA has recruited more than 130 sponsors to participate in TBIRD. At present, the Petroleum Authority of Thailand Public Co. Ltd. (PTT) is the largest TBIRD sponsor, contributing more than 3 million baht.

4.1.5.2 Income Generating Activities

1) PDA Self-Reliance Projects

PDA's projects, initially funded by international organizations, always set as one of their objectives to be self-sustainable within a certain number of years, depending on the time line of the projects. The PDA believes in the concept of self-reliance and self-sufficiency for its initiatives. Since its establishment in 1974, throughout the history of the PDA, the concept of financial self-sufficiency and the ability of the organization to operate its projects from its own financial resources has been a theme of prime concern. From the establishment of the CBFPS to the family planning projects, from the establishment of the Asian Training Center (ACPD) and CBIRD centers to the promotion of Rural Small Scale Industries (RSSI), to the Thai Business Initiative in Rural Development (TBIRD), the concept of self reliance has been embedded in the PDA through these projects. The PDA projects generate income from various activities from family planning services, physical examination

services, training services to research and corporate social responsibility projects. The family planning services generate its income from selling low-price condoms and contraceptives.

The PDA has expanded its activities within the family planning services to include primary health care. In urban areas, the PDA provides health care services through its clinics, which give consultation on unplanned pregnancies, promote the use of appropriate contraceptives, and offer general check-ups. In rural areas, however, the PDA provides reasonable priced health services through mobile health vans. Its services includes on-site pathological and other physical examinations, parasite examinations, contraceptive and pharmaceutical distribution, and other family planning services. The program is well-known among members of institutions such as teachers, school children, low-income housing residents, and factory workers. The service charges for mobile clinics are reasonably priced, for instance, a physical examination for 35 baht, urine analysis for 30 baht, and anthelmintic medicines for 30 baht. The health vans are also used to provide vasectomies, which is funded by the Ministry of Public Health at 1,500 baht per person.

PDA's training programs, which are operated by the ACPD, offer courses in the areas of design and management of family planning, health and development programs, HIV/AIDS prevention and care strategies, gender issues, training of trainers, environment and health, business initiative in rural development, NGO self-sustainability and personalized study tours to suit the specific needs of individual groups. These tours and courses are offered to groups of fifteen people or more that wish to observe the projects run by both NGOs and government agencies in the northern or north-eastern part of Thailand. The training fees rang from \$850 to \$2400.

Research projects and Corporate Social Responsibility (CSR) projects are another source of income-generating activities for the PDA, utilizing PDA expertise in writing proposals, operating projects related to rural areas, evaluating projects, conducting research, etc. The PDA is hired by state enterprises, such as the PTT and government agencies, including the Ministry of Public Health, to perform such tasks.

4.1.5.3 PDA Affiliated Companies

The Population and Development Company (PDC) was the first affiliated company created as a sister organization of the PDA in order to generate income for the PDA. It is a profit oriented, taxpaying company, and a portion of its profit is transferred to the PDA as a donation. Later, other for-profit companies were set up as fund-raising companies to support the PDA's projects.

4.1.6 Motivational Factors

4.1.6.1 Perceived Social Legitimacy

All of PDA's income generating activities are based on and relevant to the PDA's mission. In other words, the PDA-affiliated companies are the extended arm of the PDA in pursuing its goals in rural development and poverty alleviation in Thailand. Some have pictured the PDA as a hydra with many arms and Mechai's head. By adding up health care, unwanted pregnancy consultants, and the selling of condoms and contraceptives, the PDC is relating its income generating activities to community-based family planning projects. Their stakeholders, especially customers, have been happy with and accepting of PDC's income-generating activities since the beginning.

The PDC has provided a client base with products and services at reasonable prices and this has enabled them to easily access various kinds of products and services. At the very beginning of the community-based family planning project, five condoms were sold at three baht, and a monthly cycle of pills cost only five baht. Later, PDC's other products and services received a warm welcome from customers since the whole range of products and services were seen as beneficial. The client base realized that too many children will cause them an economic problem, and the family planning products help them in reducing poverty. Before that they could not access such products and services conveniently, now the villagers do not have to take long and expensive trips to obtain contraceptives, or even condoms, which once were considered an embarrassing item to use or buy. Moreover, the distributors were people they were accustomed to, for instance, the shopkeepers in the villages that provided services on the spot and around the clock.

Even though Cabbages and Condoms restaurant, at the beginning, did not seem to relate to the PDA's objectives since it began with refugee relief, but the

PDA has used it, like other projects, to promote the use of condoms as a means to protect people from HIV/AIDS and as a birth control method. They serve coffee with condoms, instead of an after-dinner mint. Their customers perceive them as a charity entity. Dining there is not only for their own pleasures, to get delicious and innovative foods, but also is a socially-responsible act benefiting others, especially the villagers in the rural areas. Cabbages and Condoms have made it explicit that all of the profits will be used to support PDA's activities. This attracts even more customers to become individual donors.

The distributors, who were PDA volunteers, would earn as an incentive one baht for each condom sale. Distributors that referred users for IUD insertion or sterilization to the local doctor were given a prize of two free monthly cycles of pills, and the Government Health Center was awarded ten baht for each client of the clinical contraception service. The distributors quickly realized that not only could they receive an economic incentive, they could also give their neighbors a great opportunity to avoid unwanted pregnancies.

Donors give full support to the PDA for its income-generating activities, especially institutional/organizational donors. From the very first the PDA projects, CBFP and IPPF, as PDA fund donors, required the PDA to be self-sufficient. A component of the community-based family planning project funded by the IPPF required the PDA to test the community-based distribution of oral contraceptives and condoms and to train teachers about population and family planning. The component was called the Private Sector Program, a condom social-marketing project in which Gold, Silver, and Rainbow brand condoms were marketed at subsidized prices throughout the country. The IPPF grant was allocated annually and had a time limit of five years. The IPPF required that the project be self-sufficient through the sale of contraceptives. Most of PDA's fund donors' requirements are like those of the IPPF which requires their recipient to be self sufficient. The fund donors always set a time limit for the project. Moreover, the donors prefer that the funds go directly and mostly to the projects themselves, not to administration or personnel payroll. Hence, the donors would prefer the recipients to pay for their own payroll, which means generating income of their own to sustain the social development projects' administration.

In order to operate the projects, the PDA needs to recruit its management staff to manage, supervise, evaluate, and control the projects. In recruiting them, the PDA feels responsible for its staff. Usually, they would be terminated at the end of the project. In order to retain them, however, the PDA has to generate income of its own to pay for their salaries. The PDA staff started to incorporate business strategies into their work as they were transferred to the PDC, a profit-making company. At first, the unfamiliar feeling of making a profit was a major obstacle for the staff since their work as an NGO was only for charity. It was not supposed to make a profit. The PDC's clinic was set up not to make a profit but to repay the IPAS loan and to pay for staff salaries. One of the Cabbages and Condoms branches up country was set up to charge a very low price for the foods sold to customers so that it barely made a profit. The staff felt unfamiliar with the profit-making activities. Eventually, the staff gave its full consent to the income generating activities and understood that these activities could enhance and sustain PDA's rural development mission along with the PDA staff itself.

4.1.6.2 Degree of External Dependence on Pressuring Constituents

In the beginning, the PDA used to depend on external sources of funds, especially international funds. Those funds represented a majority of PDA funds to an extent of 60-70 percent; however, the PDA attempted to rely more on multiple funding sources. It started to turn to domestic sources of funds and more diverse revenue sources, especially income-generating activities. The PDA attempted to be less dependent on external sources because they tended to be unstable. The PDA prefers to generate more of income of its own by establishing for-profit companies that perform various kinds of activities from health care services to restaurants and resorts and even ecotourism. These income-generating activities are increasing the PDA's recognition, reputation, and respectability as a foundation that aims at social as well as environmental development.

The PDA's income-generating activities are always tied to its mission of economic, social, and environmental development, and to alleviate poverty in the rural areas by means of self-sustainability. The Cabbages and Condoms restaurant enhances the birth control and HIV protection and awareness mission of the PDA. The handicraft shop and Business for Rural Education and Development (BREAD)

help the rural people by providing them with an education, marketing their products, acting as a bridge for them with tourism opportunities, and promoting rural ecotourism. Villages are able to enter the home stay market to provide accommodation for tourists. It clearly states on the BREAD website that the profit from purchasing BREAD merchandises and services will directly benefit both the PDA and rural villagers looking to sell their merchandise to an international market. The PDA still welcomes donations; however, it aims at a more self-reliant approach by creating self-reliant activities that will generate income. Most of the PDA projects usually start with funding from grants; however, one of those projects objectives is always to be self-reliant. As the PDA aims toward less dependence on external fund donors, it tends to adopt more income-generating activities.

4.1.6.3 Degree of Interconnectedness

The PDA as a nonprofit organization has its ties with foundations, and supporting and promoting organization in various ways. The CBFPS was started from IPPF funding. The project received funds after Mechai resigned from being Secretary General of the Planned Parenthood Association in Thailand (PPAT), an affiliate of the IPPF, to establish his own non-governmental organization. He developed a proposal for the community-based distribution of contraceptives and was granted funding with the assistance of Malcolm Pott, IPPF's director, and Julia Henderson, IPPF's Secretary General in 1973. The clinic in Patpong, the first initiative of the PDC, was financed by the IPAS, the idea for which came from Malcolm Potts, who recommended Mechai to the IPAS. Appropriate Technology International (ATI) has had a network in Asia. Their agencies were in Bangladesh, Philippines, Sri Lanka, India, and Thailand. Members of the network had linked ATI to Mechai. The PDA was granted an initial fund to establish the CBATDS. After establishing the CBFPS, the PDA developed its own network of eighteen regional development centers, and branch offices comprised of 16,000 villages which later on could be used as a platform for various community development and PDA income-generating activities to be self-sufficient and independent. PDC's clinics were expanded to the PDA branches in Chiang Rai, Chiang Mai, and Nakhon Ratchasima. Like the clinics, Cabbages and Condoms branch expansion was based on the PDA development centers in Chiang Rai, Chiang Mai, Ratchaburi, and Nakhon Ratchasima.

4.1.6.4 Financial Constraints

NGOs have depended on funding from various sources (donor agencies, multilateral lenders, charitable institutions, and government agencies) for their own administration and for conducting programs. In the past, these donor/NGO relationships generally worked well for non-profit, non-governmental organizations. However, in recent years, there has been a significant decrease in available grants and other funding from both international and domestic donors in Thailand. For international donors, Thailand and similar countries are considered to be too well off to receive the funding. Moreover, funding for NGOs is dependent on that particular country's government spending policy. The economic crisis was another reason for decreasing funding. The funding decreased in terms of amount of money and number of donors. Long-time donors of the PDA had reduced their funding due to the economic crisis of 1997 and later terminated it.

Like any other NGOs in Thailand, the PDA also faced the same problem of decreasing funds. In addition, the number of NGOs in Thailand competing for those funds has increased as well. Some donors consider the PDA as a self-reliant organization, and some consider the country as a developed country and therefore tend to decrease their donation. The PDA has realized the unreliability of external funding sources since the beginning of its first project; hence, the concept of financial self-sufficiency and the ability of PDA to operate its projects from its own financial resources has been PDA's primary concern. Since then the PDA has always incorporated mechanisms for cost recovery and self-sufficiency that guarantee a project's sustainability and PDA's as well. As a consequence, the PDA has established its own donors, the PDC, since 1975, only one year after the PDA's establishment. Fifteen other fund donation companies that generate income for PDA have been established over the years.

4.1.7 Organizational Context

4.1.7.1 Entrepreneurial Orientation

1) Innovativeness

Mechai has shown his innovativeness endlessly throughout the history of the PDA. He dealt with the family planning project innovatively. When the

PPAT used old-fashioned means to educate people about family planning, while the organization mission was to make contraceptives services widely available so that women could have choices, the PPAT staff was too shy to speak freely about sex and contraceptives which were cultural taboos at that time. They were too embarrassed to discuss it. On the contrary, Mechai perceived that the success of family planning was in people feeling comfortable with contraceptives and the topic of sex. They needed to be socially accepted. He combined them with jokes and humor since he believed that people will accept something they can laugh about. Thus, he attempted to change social perceptions about family planning and contraceptives by making them obvious and striking. He used condoms and humor as a means to gain acceptance for the planned parenthood campaign offensive. He started distributing condoms instead of campaign leaflets, t-shirts with bright colored condoms and a slogan like “too many children make you poor.” He set up a public relations campaign, for instance, in which a foreign expatriate went to a Thai clinic for a vasectomy, and he invited both television and newspaper media to publicize it to show that the Thai clinic was good enough to provide such a service to foreigners. His methods were not conventional for the time, but they were innovative and notable (D’Agness, 2001).

Moreover, he introduced the non-clinical based distribution of contraceptives by village volunteers. It was a community-based distribution, which was considered a new method of contraceptives distribution at that time. Previously, family planning and contraceptives were a clinic-based service provided by government health officers from static government clinics. The governmental clinics were usually situated in a central area, for instance, in urban areas, which people living in remote areas could not easily reach. Nonetheless, family planning was not considered a disease; people would feel awkward about going to medical clinics for contraceptives. Mechai had realized that the clinic was a geographic and cultural barrier to progress in family planning. It had to be taken out of the clinic. Therefore, he engaged the community-based contraceptive distribution method for the family planning project.

CBIRD was one of the most innovative projects of the PDA. It combined family planning and health with community development in which, at that time, there were not any NGOs that had brought forth this idea. Moreover, the project

presented a real innovation in that it made credit accessible to the rural area by providing the villagers with investment funds, which up to that time had not existed. They could use the funding to raise animals, cultivate crops, and build household industries, e.g., silk/cotton weaving, or establish village cooperatives, etc.

Cabbages and Condoms can be seen as an example of an innovative restaurant. At present, there are uncountable numbers of unusual and unique restaurants that attract diners to visit them, for instance, the toilet-themed restaurants, the graveyard -themed restaurants, the undersea-themed restaurants, the prison-themed restaurants, the medical-themed restaurants, etc. Established for more than twenty years, Cabbages and Condoms is one of those unique restaurants where condoms are the decorating ornaments, served as a compliment instead of mints or fortune cookies. By combining restaurants with sex education, and HIV/AIDS prevention, Mechai has shown his own unique expression of innovativeness.

2) Proactiveness

Mechai is not only an opportunity seeker but the opportunity seizer. The PDA has always been the first mover in its fields of operation. The PDA has employed income-generating activities since 1975, long before others, while most of the nonprofit organizations were still relying on the charitable funding organizations. Always the entrepreneur, Mechai never missed the opportunity to generate income for the PDA. The PDA was the first to introduce community-based contraceptives distribution, and the first to offer a safety and quality choice to women that had an unwanted pregnancy. When it came to refugee relief, the PDA also reacted promptly, although it was not in the refugee relief field. In 1979, Mechai was informed that there was a German NGO called Deutche Welthungerhilfe or Agro Action that wanted to help Khmer refugees, but it needed a proposal to be submitted to them immediately. The PDA prepared and submitted the proposal in time, proposing food and medicines to aid them and to deliver them to the refugee camp within two weeks. Agro-Action was so satisfied that it provided the PDA with more support so that it could establish the CBERS.

From the family planning project, the PDA established a network of 16,000 villages along with their trust in the PDA. Mechai decided to expand the PDA's mission into health and community development. He wanted to

integrate family planning with health and community development. The PDA integrated the Family Planning and Parasite Control program (FPPC), started in 1976 and dedicated to the integration of health and family planning, was the first expansion with assistance by the Japanese Organization for International Co-operation in Family Planning (JOICFP). Later, the Family Planning, Health and Hygiene Program (FPHH) was funded by USAID.

One of the most innovative, proactive, and successful projects was CBIRD, a project in which the PDA integrated family planning with health and community development. Its objective was to increase farmers' average income by 30 % and improve their nutrition and health. By combining a revolving credit, technical assistance, and marketing, the PDA turned farmers into businessmen that could improve themselves by their own effort. CBIRD was supported by Agro-Action; however, the PDA first proposed the project to a Dutch NGO, which rejected PDA's proposal for the reason that it was not acceptable to combine family planning with community development.

3) Risk-taking

Mechai and his early associates that joined him in CBFPS-Sopon Suriwong, Wilas Lohitkul, Sunida Chattanont, and Praween Payathwipapong were considered risk takers. They joined him from the beginning of the first project, when Mechai was developing a proposal and the funding from the IPPF had not yet been granted. Moreover, community-based contraceptive distribution was new to the country, as it was opposed by government health officers and the PPAT staff. There was no guarantee of success, and the funds were granted for only one year. Subsequent funding was to depend on an evaluation of the year 1 project's impact, not to mention the self-reliance aim. The PDA always exposes itself and ventures into the unknown.

The other risk taking incident of the PDA was the "Better Marketing Program." While the PDA operated the CBERS projects, UNHCR had to provide an enormous amount of foods for refugees each day by procuring them from middlemen, who in turn purchased them from Thai farmers at low prices. Mechai wanted to help the farmers with their pricing, and at the same time help relieve the resentment of Thais toward refugees, who they considered to be a burden and

troublesome. Therefore, he proposed to the UNHCR to purchase food directly from farmers. The farmers would benefit from the higher prices, and the refugees would be considered as helping Thai farmers. However, it raised another problem of who would perform the middleman-task in replacing the existing middlemen once they were eliminated from the marketing system. Mechai stated that the PDA would be responsible for the task, even though he had never had any experience in procuring and purchasing such a large amount of foods for 150,000 refugees. However, he was not hesitant accepting the task, and it was another successful project. Moreover, it even provided the PDA with an opportunity to start a new project, Cabbages and Condoms restaurant.

4.1.7.2 Top Management Commitment

PDA's top management gave their full support to the adoption of earned income activities. From its first company, the PDC, to the new one, BREAD, Mechai supported them by providing financial, human, and technical resources. For the multipurpose clinic, he sought out the initial loan himself, recruiting physicians, and procuring the suppliers for the clinic. Each PDA's for-profit company was provided with the establishment funds from the PDA-ranging from five hundred thousand baht to several million. Executives and management staffs were provided by the PDA.

Most of the for-profit company executives are appointed by the PDA. Most of them are recruited and transferred from the PDA staffs; for instance, Tawatchai is the chairman of almost every for-profit company, managing directors, i.e., Sunida, Wilas, Songnam, who were the first group of the PDA staff since it was established. They were appointed because they could pursue PDA objectives as a social development organization. The companies were established to make profits to support only PDA's social development activities.

The PDA has a top management meeting on a fortnightly basis, where executives and management teams, for instance, the directors of development bureaus in each area, meet to discuss, review, and consult on their projects and activities every other Monday. They are all responsible for the success and failure of the earned income activities. For example, their recently developed activity, a cultural tour, was based at PDA's branch in Chiang Rai, which promotes hill-tribe tourism in Chiang

Rai. The tour itself does not generate large amounts of income; however, the hill-tribes benefit from the tourists, for instance, in souvenir sales. The PDA also provides facilities to the companies. The branch offices of the PDA country-wide serve as a rural development center along with the for-profit centers.

4.1.7.3 Human Resource Readiness

The PDA's staff was one of the main reasons that drove it to be self-sufficient. To operate each project, the PDA must recruit its staff; however, most projects are time bounded, where these staff members could be terminated. PDA's policy is to maintain them as permanent rather than hire them as temporary personnel. From the first income-generating activities at the PDC's clinic, Mechai hired Sutha who resigned from a permanent and secure job at NESDB to be a clinic manager. Even though he did not have experience in clinic management, Mechai's training method was centered on on-the-job training; he told him he could learn on the job. Later on, for every income generating activity the PDA employed on-the-job training with its staff to learn to gradually make a profit. The staff were rotated from project to project, or from company to company; for instance, if one for-profit company faced a problem of laying off its staff, they would be transferred to another company that was still in good financial condition. In this way they could maintain their staff.

In the early years, their income-generating activities did not require complicated skills. There was no great competition among the companies, since the PDA was always the first mover; for instance, the Patpong clinic was one of the first clinics to provide such an essential service for those in desperate need. At that time, there was no clinic which provided safe and high quality service at an affordable price, it was unlike what was available previously. Moreover, there was great demand. Hence, if the clinic could bear the operating cost, it could be self-sufficient. The physicians were paid on an hourly basis. The PDA was expert at proposal writing which meant that the PDA had to plan well before the project started. Every project was focused and well-managed. Therefore, the costs were forecast before launching the project. The PDA incorporated mechanisms for cost recovery to guarantee the project's sustainability, thus lowering the risk of failure. By learning on the job, the PDA operated the clinic efficiently so that it gained a surplus to invest in other clinics.

Apart from on-the-job training, the PDA also employed specific training for its staff. The first project, the CBFPS, required the distributors to introduce the program to the villagers. To recruit the distributors, qualifying criteria were set. The distributors would attend the training designed specifically for them. The training covered the issues of basic reproductive systems, family planning methods and their misconceptions, simple screening checklists, contraindications, remedies, and record keeping and motivation for family planning services. The distributors not only invited buyers of contraceptives to their houses, but followed up with their clients. The clinic, like the CBFPS, required training to perform the task, especially its physicians.

Practical experiences which accumulated within the PDA made the PDA staff its valuable resource. All of the activities, for instance, family planning, working with the community in development, training them to be self-reliant, writing proposals, evaluating projects, preparing business plans, calculating projects' break-even point, created a great benefit for the income-generating activities. It made the PDA ready for such activities, although, some of the projects appeared to be beyond their abilities. The PDA provided the staff with special training courses, for example, the Cabbages and Condoms staff would be trained at the Oriental Hotel. The PDA believed that to move toward self-reliance in a mission there was a need for a new breed in the organization. The PDA grants scholarships to the young to study business administration.

4.1.7.4 Organization Size

The PDA is one of the largest nonprofit organizations in Thailand. A number of PDA staff members are shown in Table 4.2

The number of its staff put great pressure on the PDA to adopt earned income activities. However, the PDA staff was as great resource for the success of the organization; its experienced staff could help support earned income activities. The various kinds of skills they have, including planning skills, for example break-even cost analysis, preparing project proposals, training skill as training facilitators, training organizers, and leadership skills, enabled them to realize the accomplishments of the PDA.

Table 4.2 Type and Number of PDA Staff

Type	Total	PDA	PDA's Affiliated
Permanent staff	302	137	165
Special contracted staff	247	74	173
Temporary staff	348	348	
Family planning coordinator	13	13	
Total	910	572	338

Source: PDA Annual Report, 2010.

In terms of revenue and expenses, the PDA's estimated revenue and expenses in 2011 were around 160 million baht. The details are as follows:

Table 4.3 PDA's Estimated Expenditure and Income in 2011

List	Expenditure	Income
Logistics	24,274,670	17,888,400
Health Program	5,183,330	3,966,320
Rural Development Program	114,958,403	120,320,770
Fund Raising Program	1,385,080	2,922,540
Research, Evaluation and Information	14,736,620	15,440,100
Total Baht	160,538,130	160,538,130

PDA's revenue, categorized by sources is from pills and condoms at 140,000 baht, fund raising at 1,099,140 baht, grants from other projects at 72,312,550 baht, donations from CSR donors 85,199,040 baht, and others donations at 1,823,400 baht. Fifty percent of the income is from donations and the rest is from the income-generating activities.

4.1.7.5 Leadership

The success of PDA's adoption of earned income opportunities has depended greatly on the leader, Mechai. Without him the implementation of all of the projects could not have been accomplished. His leadership has enhanced the adoption of PDA's earned income opportunities. Mechai has shown his charisma which inspires, creates trust, builds respect among his followers, and emphasizes the importance of having a collective sense of mission. He has not only gained respect from the public, but also from his subordinates. Most of them mention him with respect. Some volunteers are willing to work with the PDA because they believe in and are inspired by Mechai, to help the underprivileged to be better off. He also creates subordinates' beliefs in generating acceptance of organizational goals and to secure his subordinates' commitment toward the realization of organizational visions and goals. The PDA's staff has full commitment to the organizational goals, which is to promote rural development both in terms of social and economic development, as well as environmental development. Despite the low salary compared to those of the commercial companies' staff, the PDA's staff is still willing to accept it and pursue their tasks to help communities. The collective sense of the organization's mission is emphasized by Mechai, and his subordinates are well aware of it.

Moreover, he empowers his subordinates by giving them a chance to create their own business. Each branch has its own business plan. Unlike the franchise where every branch is exactly the same, each of Cabbages and Condoms restaurant has its own style of decorations, menu, price, etc., though the theme of the restaurant is the same. The price setting depends on the manager of the restaurant, not from the PDA headquarters.

4.1.8 Relationship Among Factors

All of the factors mentioned above contribute to the adoption of earned income opportunities. However, some factors are associated. Leadership is related to top management commitment. Mechai's leadership has influenced on PDA's top management commitment to adopt earned income opportunities. He creates trust among them and uses his vision to inspire others. The trust among the top management team and Mechai is not a one-sided relationship; it is a reciprocal

relation, which means that they give trust to Mechai as their leader and at the same time Mechai trusts them as well. The PDA had to establish affiliated companies to raise income. The chairman and managing directors are appointed from the top management team. One of the companies' objectives is to fund the PDA from their profit. Therefore, Mechai must trust them, as there is no guarantee that their profit will contribute solely to the PDA.

Mechai also shares information with the top management team about the organization, including its plans and objectives. The objectives of the sharing are to achieve their commitment to share goals and draw out their willingness to become part of the resulting success. He also gains support from his top management team to reach the organization goals. The top management team becomes chairmen and managing directors of the earned income companies. They gear their companies toward the goals of the PDA.

Other factors which strongly associated are financial constraints and organizational size. While the PDA works with over 12,000 volunteers, it still employs a staff of over 900, including PDA's affiliated staff. A large staff requires a large budget to finance the payroll. The PDA has no intention to lay off its staff after the social service projects is completed. The PDA continues to hire people, while the limitations of financial resources drive the PDA to adopt more earned income opportunities to pay for its staff's salary and so that the PDA can retain its staff within the organization.

4.2 Suan Kaew Foundation

4.2.1 Background

Pra Payom Kallayano is an honored, famous and nationally-recognized person. His preaching is very fascinating and he is able to draw high attention from the audience, especially the youngsters. He became very popular during 1983-1986. His sermons, which are derived from his slogan "Angry is stupid, madness is crazy, both angry and madness are both stupid and crazy," has calmed down most of the youngsters, who have spent their energy fighting for a better quality of life. The success of his preaching is not based only on his knowledge, his talent and his experience, but it is from his heart of sympathy and his understanding of people.

Payom Chanpetch, the given name of a Pra PraYom, was born in 1949 to a poor agricultural family in Nontaburi province. But the poverty of his family neither damaged nor kept Pra Payom from his studies. He stepped into a novice position when he was ten and continued his monkship at the same monastery when he was twenty. Consequently, he was given the highest academic certificate in Buddhism, 1st class Dharmist, honorary awards from various institutes throughout Thailand, and studied with such a great philosopher as Pra Buddhadas at Wat Suanmok, Surathani. These led him to be a qualified preacher in society, and give further proof of society's acceptance of him as one of the country's most influential and positive Buddhist monks.

Learning from the Buddhist philosophy “When you see yourself, you should not be careless of yourself, but try to make benefits for yourself” and hinting by Pra Buddhadas that one can make benefits not only for oneself but for others, Pra Payom got the idea that if someone can see some benefits but neglects them, then they will be useless. He said “If there is a way to do some development and we do not work for it, we will be underdeveloped. If we have a chance to help, but we ignore it, then we are losing an opportunity to do good things in our life.”

Another Buddhist philosophy that he took as his key to success is “Wisdom will be for the ones who practice.” Pra Buddhadas said “Practice is Buddhist doctrine; you sweat when you practice. Let the sweat clean your selfishness. Selfishness, laziness are bad because they will bring the feeling of being adverse and lead you to step on goodness.” So every time we work, wisdom should emerge because every time we work, we will make mistakes and we always learn from our mistakes. We will learn how to solve and to prevent the problem later on.

From the age of twenty-one, Pra Payom Kallayano has devoted his life to serving mankind and thereby revolutionized the society of Nonthaburi province. He is the abbot of Wat Suan Kaew, a temple northwest of Bangkok that alleviates the life of the poor, restructuring and reorganizing the society through its projects. Pra Payom Kallayano's journey to help the mankind began at a very young age. Witnessing domestic violence (between parents), Pra Pisal Dhammaphadi (better known as Pra Payom Kallayano) could have taken the path of a laborer like other boys in his community. But fate thought otherwise and an old radio started by his brother that

taught Buddhism opened Pra Payom Kallayano's eyes to a different world. He saw himself and realized that "secular life was not his path and on the contrary monastic life did not have to be idle and isolated from society. He could be a monk who taught people and also do social work." Ordained as a Buddhist monk at the age of twenty-one (1970) and earning an advanced degree in Dhamma at the age of twenty-four (1973), Pra Payom Kallayano began his journey of transforming the life of people in Nonthaburi province. During the initial phase of traveling and giving Buddhist lectures, Pra Payom Kallayano observed Thailand's impoverished society and its problems: drug abuse, poverty, corruption, infirmity and homelessness. Inspired by the Buddhist scriptures or Pra Tripitaka and what he had learned from Pra Buddhadas, these prompted him to develop a series of programs through Wat Suan Kaew that aimed at poverty alleviation (through maximizing the skills of the poor), environmental rehabilitation, and the rerouting and capitalization of waste (organic farming and refurbishing donated furniture).

In 1986, Pra Payom Kallayano formed a charity organization, the Suan Kaew Foundation, in Wat Suan Kaew. Today this charity organization runs numerous non-income-generating projects, self-supporting projects, and income-generating projects throughout the year. These programs provide residents with a sense of protection, buoyancy, and motivation. The foundation runs on the sales of farm produced, renewed goods, and Pra Payom Kallayano's CD's, books and Dharmist lectures.

4.2.2 Objectives

Pra Payom stated the Suan Kaew Foundation objectives as follows: 1) to spread the Buddha's teaching, 2) to provide welfare to the underprivileged, and 3) to develop the underprivileged and abandoned land.

4.2.3 The Programs of Suan Kaew Foundation:

Pra Payom Kallayano began around eighteen programs to provide shelter, healthcare and job training (rotated to provide vast experience) to its volunteers and residents. According to Sutannu Keesiri (2002: 89), the projects of Suan Kaew Foundation fall into three categories-non-income generating projects, self-supporting projects, and income-generating projects.

4.2.3.1 Non-income Generating Projects

These activities are funded from foundations in which Pra Payom solicits financial support from the public, the business sector, and from other organizations. The first project is the Summer Novice Ordination Project. It was established in 1978 to give boys an opportunity to be ordained as Buddhist novices during summer break. Close to 200 to 250 boys join this project every summer to receive one and a half months of instruction in Buddhist principles and good moral conduct.

As the summer novice ordination project offers participation only for boys, Pra Payom established the Moral Camp project to make religious and moral teaching available to girls and adults in 1987. Each year, more than thousands of students receive Buddhist teachings through this Moral Camp Project.

The Rom Poh Kaew Project was established in 1987. It aims to help people that are unemployed, unskilled, underprivileged or homeless. To help these people, the foundation works with government units, for example the department of skill development, to give job training along with foods and accommodation.

The Elder Care project was set up to care for senior citizens that have been abandoned by their family, are terminally ill or are suffering from diseases. The unit provides physical as well as mental health care for these people until the end of their lives. The seniors are assigned to work for the foundation and are paid for their work. They can work in the garden, watering and cultivating the trees. One of the jobs that consumes time and requires many workers is coconut shells peeling. Not only are seniors assigned to do it, but also the juniors and the unemployed become involved. Coconut shells are peeled into small pieces and those tough fibers can be sold as natural fertilizer for trees.

The Drug Rehabilitation Shelter, with the assistance of the Health Department, was established to help drug, alcohol or even nicotine addicts. They provide addicts with food, shelter, Buddha's teaching and medication to help them overcome their addictions. While in the program, monks in the temple supervise them closely. When they are rehabilitated, they can either work for the foundation in different capacities or continue their normal life. In addition to the recovery program, Pra Payom started the Bamboo Piggy Bank project in 1989 to encourage addicts to set

aside the money they would have spent on drugs, alcohol or cigarettes in a special piggy bank made of bamboo. The money saved can be used in the case of emergency or donated.

In 1992, Pra Payom set up two projects: the Scholarship for the Disadvantaged Project, and the Emergency Relief Project, to help the public address problems of disaster victims, disadvantaged children, and the abandoned elderly. The Scholarship for the Disadvantages offers a scholarship to 60-70 orphans and homeless youth that otherwise would never have a chance to go to school. The Emergency Relief Project helps victims of floods, fires, or other disasters. This project is also cooperated with by the Public Welfare Department.

Suan Kaew Nursery was established in 1995. Due to the growing number of the poor living under Pra Payom's care, as well as the number of the poor children, Pra Payom set up a nursery to accommodate the rapidly-growing number of children living at Wat Suan Kaew. The Nursery provides meals, education, supervision, and medical care for the children of workers at Wat Suan Kaew and others under Pra Payom's care, as well as for other needy children from the community.

The Sanitary Human Waste Disposal is a project that Pra Payom incorporated with Nonthaburi province to fulfill the King's advice on converting human waste and kitchen waste disposal to fertilizer. The kitchen waste comes from the temple grounds, for instance, leaves, vegetables, fruits, and is composted and used in the garden. For human waste, Pra Payom allows the province to use the temple's approximately 4 rai as the site for a 15-cu.m./day capacity biological waste treatment pond. Construction of the treatment pond was supported with a five-hundred thousand baht fund provided by the province and the remaining fund was provided by the temple. The process of human decomposition begins with an arrangement with residents nearby and within the province, whose septic beds or tanks are periodically vacuumed. The trucks go to these residents as well as all the sanitation facilities on the Foundation and temple grounds, the septic beds are vacuumed and the raw sewage is transported to the processing facility on the land. First, it is dumped into closed holding tanks and held for one month. Then the sewage is transferred to a second tank which is exposed to sunlight for an additional month; in total at least 55 days. Then

the dried waste, which at this point has become hard and black, is broken down in a grinding machine and foreign objects such as paper, plastic or rocks, are removed by hand. The staff from government agencies come to examine it for safety so that they are not affected by dangerous disease. This compost is then applied to the farms.

The Dogs Condominium Project was set up when the Thai government held its 2003 APEC meeting. One of the measures taken to make Bangkok more APEC-friendly was the removal of many of the stray dogs that roamed the streets of Bangkok. They were removed from the city to upcountry or put to sleep. Pra Payom expressed his concern about saving these dogs. Therefore, he allocated an area in the temple to construct a shelter for them. Afterward more and more dog-owners continued to leave their unwanted dogs in the temple's care. Despite the heavy burden, Pra Payom continues this project mercifully.

4.2.3.2 Self-Supporting Projects

While the earlier-mentioned projects continue to be sponsored by the foundation, projects which are financially self-supporting are needed. At the same time, projects which can generate income to support other projects are needed as well (Keesiri, 2002, 89). In 1991, the Suan Keaw Foundation set up a project called Helping the Younger Ones Who are Hungry Project. The basic aim is to provide poor school children with a small allowance and lunch, and give them an opportunity to learn about Buddhist teachings. The foundation asks schools from all over Thailand to recruit good but poor students that want to earn an income during the summer break. These children would do chores in exchange for money. The jobs offered are cleaning, selling fruit, planting trees, peeling coconut shells, and assisting people that come to the temple. Moreover, by providing the initial funding, this project also offers these students an opportunity to produce their own products through a variety of foundations projects, and run their own small business within the temple. The students keep the profits and return the capital to the foundation. This project not only provides them with the ability to pay for their lunch during the school year, but also gives them an opportunity to learn how to be responsible. Each year, around 1,300 students are selected to join this project.

After the success of the Rom Poh Keaw Project, the Training House was set up in the following year, 1988, to provide various skills training to

unemployed or unskilled labors that were interested in training. Among the courses given are carpentry, masonry, welding, sewing, making food or consumer products from herbs, traditional massage, and English. The foundation contacts different government units and asks for help with the training, especially the Department of Skill Development, which provides both the instructors and the building. Some instructors are volunteers, and some are the trained workers that have already completed the training program and continue to work for the foundation, especially those in carpentry training. In addition, those that complete this program also receive certificates from the Department of Skill Development. The foundation also assists people in finding employment by contacting potential employers to match the laborers with the employers. Apart from a job-seeking service, the products made by the trainees are sold at the foundation's supermarket the trainees earn income from what they produce.

4.2.3.3 Income-Generating Projects

Out of the eighteen projects, five projects are able to generate income for the foundation: the recycling project, the supermarket for the poor, the flea market, the agriculture project, and media and publications.

1) The Bridge of Merit Project

The Bridge of Merit Project or the recycling project was started in 1993 when Pra Payom went to give sermons to the rich. While waiting for his temple's attendants, he saw a man digging for some garbage from a garbage can of a rich person's house. He was thinking about how life works, the needy have nothing while the wealthy have everything. The rich accumulate excessive goods, which they do not need, while there are many others that may need these goods but are too poor to buy them. In addition to the idea of the rich and the poor, Pra Payom generated the idea of establishing a goodwill project from a trip to Italy where he saw appropriate waste management. That was his original idea to bring about the meeting of the wealthy and the needy. He calls this initiation a bridge of mercy, where the rich can give the poor the items they no longer use. Therefore, he announced through different media channels and whenever he gives his sermons that the foundation would accept whatever people wished to donate in addition to the regular cash donation.

At first, all donations are distributed directly to the needy. For example, construction materials such as cement, sand, paint, window frames, doorknobs, go to those whose houses were burnt down or destroyed. Used books are given to poor schools in remote areas. Clothes and shoes are sent to children in poverty-stricken areas. However, not everything can be distributed promptly. Some needed to be sorted out. Some are not appropriate for the poor to use. Some need to be fixed, for instance, broken furniture and appliances. Some need a transformation process; for example, mown grass needs to be turned into compost. Pra Payom considers these materials as having the double benefit. The foundation has a lot of labor, including people in the drug rehabilitation center, students that come to work during the summer break, the elderly, unemployed labors, etc. Some can sort the materials out, and some can fix the appliances. By using the Skills Development Department to train them to do carpentry, to use agricultural techniques, or do dressmaking and handicrafts, and so on, Pra Payom was able to transform those disposed items into valued products. Therefore, the other idea that came to him was to sell those value-added products to the general public and to give all the money to the poor. This, in turn, benefited the poor both in terms of financial support and self-sufficiency. Pra Payom always emphasizes the self-sufficiency of the poor; however, the foundation has paved the way for them to help themselves.

The public has responded with enthusiasm, loyalty, and energy to the project and it turned out to be one of the best income generating projects of the foundation, worth 60-90 million baht a year. At present, the foundation not only sells the products to the poor, but employs the auction method to raise income from the project's products. The auction is a means to help the foundation receive more and faster income than selling the products one at a time. The auction is held every Monday and Friday at Wat Suan Kaew. Some entrepreneurs that come to bid for the donated materials have their shops around Wat Suan Kaew. They also refurbish and resell the goods as well.

2) Supermarket for the Poor

In 1994, The Supermarket for the Poor was set up after the huge success of the Merciful Bridge Project where there are various kinds and a large amount of materials donated to the foundation, for instance, clothes, shoes, books,

household appliances, electric appliances, furniture, hardware appliances refurbished computers, etc. Electric appliances include fans, blenders, rice cookers, TVs, stereos, etc. Donations of any of these materials are accepted and pickup services are available for large-sized donations. The foundation feels obligated to accept all forms of donated material and does not refuse anything. Pra Payom needs to make the best use of the donations; they needed to be sorted, counted and distributed to needy people. Pra Payom makes use of the poor under his care to sort, count and distribute.

For the computers and electric appliances, there is a refurbishing program, in which used or broken computers and electric appliances are sorted by the foundation's volunteers and the workers that are the underprivileged under Pra Payom's care. Those that function are collected for reselling, while others are collected to be refurbished, and those that cannot be fixed are taken apart for usable spare parts for reselling separately. This has become a free training process for amateur technicians. Computers are also educational tools for children living at the temples that they can learn computer skills. Other volunteers keep records, such as databases for donations and records of people in the foundation community. Like the computers, other materials need to be sorted, counted, and distributed. Materials are categorized into eight departments including electronic appliances, clothes and furniture, refrigerators and air conditions, wood and sanitary ware, paper and used books, mechanics and car repair, organic waste, and used wood and furniture.

However, the number of donated materials exceeds the need for them. In order to make the best use of them, Pra Payom created a large flea market, which is called "Supermarket for the Poor," where they are sold to the poor. The surplus of items can turn the temple into a dumping site. At the beginning of the Merciful Bridge, the foundation was criticized that those materials made the temple look like a dumping site since there were piles of materials of what people called "garbage" everywhere. Moreover, the foundation accepted everything that people donated and sometimes the donated materials included real garbage which could not be reused or recycled. Afterwards, Pra Payom had to make an announcement to ask for only reusable, recyclable materials because the garbage could be a burden on the temple. This huge variety of surplus donated products could not be distributed to the needy directly and instantly; therefore, Pra Payom sold them at a discounted price to the poor by setting up the supermarket as an outlet of those materials.

Like ordinary supermarkets, there are different kinds of departments in the Supermarket for the Poor, such as a women's clothes department, a kids' clothes department, a men's clothes department, a shoe department, electric appliance department, kitchenware department, hardware department, etc. The supermarket is situated in the Suan Kaew Temple. There are several buildings that are used as a supermarket and warehouses. The first one is a five storey building, with an elevator in the building, itself salvaged from an old building, and each floor holding a different category of goods. For instance, the first floor contains a convenience store and the second floor is for computers and electronic appliances. The fourth and fifth floors hold the clothing department. The other building attached to the first one is for household appliances, chinaware, furniture, hardware, etc. A three storey building is used as a sorting and a storage space. Some areas contain just tiles, louvres, toilets, and toilet tanks salvaged from demolished houses. Another area is occupied by kitchen chairs, another by cabinets. Other materials include wood: window or door frames, flooring wood, stairs, logs, wood beams, wood joists; furniture: ticket booths, bookcases, antiques, lamps, clocks, picture frames, dinner tables, sofas, cabinets. The mechanics and auto repair area includes auto parts, spare parts, and repair services.

Some areas are for rent by other entrepreneurs to sell related products to the supermarket, for instance, the furniture stores. In addition to these products, Pra Payom sends personal items such as soap, toothpastes, and detergent that people gave him to be sold there at cost. The poor can purchase merchandise with money or by bringing something in exchange. The premise is that nothing is for free. The customers are not only ones those that visit the temple but also the poor under the foundation's care. The temple assigns them work and gives them vouchers in exchange for the merchandise they need at the supermarket.

After word spread about this supermarket, not only the poor came to seek cheap merchandises but also middle class shoppers and antiques collectors came to seek collectible items. Some said that there were a lot of treasures there: rare books, old records, and old-style furniture occasionally appear. The Supermarket for the Poor has come to be known as one of the major "junk yards" of Thailand (Keesiri, 2002: 93). However, the popularity of the Supermarket of the Poor not only draws the attention of collectors but also those of sellers, and this gives an

opportunity to the foundation to further its income-generating activities by being a renter. Most of the tenant's products are related to those of the supermarket ranging from furniture to clothes fixing. The majority are the furniture tenants. They buy broken or ruined furniture from the foundation, but instead of transporting them to their warehouse, they rent an area of the temple to fix them and sell them along with their own items. The Supermarket for the Poor is also well known as being one of the largest used furniture markets in Thailand, where customers can buy good-quality furniture at an appropriate price.

At present, in order to serve more of the poor upcountry, the Supermarket for the Poor has expanded its branches into Tak, Kabinburi, and Khanjanaburi, where branches of the Suan Kaew foundation branch are situated.

3) Flea Markets

In addition to the Supermarket for the Poor located in Suan Kaew temple, Pra Payom realizes that not all the poor can afford to come to the supermarket due to the lack of transportation; therefore, the foundation has sought other outlets in order to give opportunities to the poor to obtain the merchandise conveniently. The government flea market is an appropriate means, as there is no rent fee. Although expenses are very low because of the zero rent fee and the volunteer sales persons, the profits are still low due to the low prices of the merchandise. However, the aim is to assist the poor.

4) Environmental and Agricultural Project

In 1997, Phra Payom started to use the income from his Dhamma speeches, the sale of his cassettes and books, and from Suan Kaew's various projects, especially the recycle projects to purchase additional land for expansion since there was not enough space for the huge number of suffering people at the temple. Moreover, as the foundation provides various skills development training, Pra Payom saw the lack of agricultural training, even though some of the unemployed laborers came from agricultural origins. Therefore, he established an herb garden within this expansive land since herbs could be turned into medicine and other consumer products such as soap, shampoo, and body lotion. The primary aim of the project was to create new jobs and new types of training for the people that came to be under the foundation's care. The other purpose was to help treat those that could

not afford medical treatment, to conserve scarce species of plants, to provide a peaceful natural environment for visitors to escape the noise and pollution of the city, to serve as a model of environmentally-friendly agriculture, and to eventually become a public education and research center in the field of botany.

In the beginning, the Ministry of Agriculture provided experts to help the foundation train their laborers in growing herbs. Later on, they were trained to produce soap and detergent liquid as well as traditional herbal medicines. The products from the garden also sold very well at the supermarket.

In addition to the herb garden, Pra Payom also plants various kinds of fruit such as dragon fruit, rose apple, banana, especially the Nonthaburi mango called Mamuang Yay Klum, which is known as one of the best mangos in Nonthaburi. The fruit from the garden are not only sold by the temple vendors but also Pra Payom gives them in return to the donors that come to the temple to make a donation to him personally. As regular monks give the donors some Buddha images in return to their donation, Pra Payom give a fruit basket, a product of the temple, to them instead. The size of the fruit basket varies in terms of the amount of the donation. There is a Dhamma teaching used when distributing the fruit baskets to the donors. Pra Payom wanted them to feel that once they do a good deed they have some good deeds in return at the moment they do not have to wait until the next life. The fruit season is from around February to April. Pra Payom encourages people to visit the temple around that time since they will receive various kinds of fruits in return for their donation, and as well they can buy them to help the foundation. The fruit prices are set at a relative low price compared to those in the general supermarkets or department stores.

The Environmental and Agricultural Project has expanded into seven branches across Thailand:

- 1) Established in 1995, the Krabin Buri branch is located in Krabin Buri district, Prachin Buri province. With approximately 97 acres (247 Rai), there are various kinds of vegetables, for instance, melientha suavis (Pak Wan), fruit such as banana, manila tamarind, marian plum, June plum, wild mangosteen, mango, santol, rambutan, pomelo, etc. It also performs the recycling project task, for instance, sorting, refurbishing, and raising the cattle that are donated to the temple.

2) Established in 1999, the Rayong branch is located in Klaeng district, Rayong province. With approximately 18 acres (45 Rai), the products from this site are zalacca, jackfruit, durian, rambutan, mangosteen, coconut, santol, longkong or duku, etc. However, the supermarket cannot operate at this branch because some locals are against it.

3) Established in 1999, the Zor O branch is located in Phop Phra District, Tak province. With approximately 136 acres (342 Rai), there are some products there such as various kinds of banana, Holland papaya, and manila tamarind. The size of the produce at Zor Or is extra large. There is a branch of the Supermarket for the Poor as well.

4) Established in 2001, the Chantaburi branch is located in Tha Mai district, Chantaburi province. With approximately 90 acres (225 Rai), a special kind of rose apple from Petchaburi province is planted here, together with pomegranate, melientha suavis (Pak Wan), June plum, mangosteen, and mango. Recently, the new Supermarket for the Poor was built to replace the old one, which was smaller.

5) Established in 2002, the Karnchanaburi branch is located in Saiyok Noy district, Karnchanaburi province. With approximately 22 acres (56 Rai), this site plants various kind of banana, mango, coconut, jackfruits, manila tamarind, and various kinds of vegetables. The Super Market of the Poor also expands its branch to Kanchanaburi.

6) Established in 2005, the Burirum branch is located in Khoo Muang district, Burirum province. With approximately 122 acres (309 Rai), there are various kinds of fruits such as mango, Malay apple, marian plum, coconut, manila tamarind, etc. The Supermarket for the Poor branch is located here.

7) Established in 2006, the Surathani branch is located in Muang district, Surathani province. While being established, there was a problem of yellow and red shirt conflict, so little progress has been made to date. However, Pra Payom has planted coconut trees, which are the major industrial plant of this region, in addition to banana and rose apple. The size of the land is approximately 17 acres (43 Rai).

8) Established in 2009, the Pra Nakhon Sri Ayuddhya branch, a newly-established branch, is located in Bang Sai district, Pra Nakhon Sri Ayuddhya province. This branch is the smallest only 10 acres (26 rai). Banana, mango, coconut are grown there.

At present, the Suan Kaew Foundation owns total land of over 1000 rai. Pra Payom's intention was to use these lands as economic, environmental, and social development strategies and to be sustainable. He stated that there are lands that are abandoned; however, the underprivileged cannot access or own or make use of them. Some that are owned by the rich are left as empty land and they do not use them in a productive manner or with economic efficiency. Therefore, he started to accumulate the lands in 1997, and most of the land purchasing was funded by the recycling project over 600 million baht. Some were donated from the locals. These lands will help the poor under the care of the foundation in the long run because it will fulfill basic needs for foods, and at a minimum the foundation could feed them with the fruits and earn some money as well. The agricultural project is not only a powerful strategy to promote economic and social development, but also environment quality. He has had a strong interest in the environment for a long time. The project has enabled him to address environmental rehabilitation while using the skills and labor of the underprivileged of the foundation. The fruit farm has enhanced the soil fertility and biodiversity. Pra Payom hires poor workers that came under the foundation's care to cultivate and water the trees and plants, and kill the weeds surrounding the fruit trees. The farm is watered twice a day, at five am and at dusk. He uses organic fertilizers, which make the fruit trees grow stronger and increases the size of produce over the produce grown with chemical fertilizers. Organic fertilizer is in the form of compost, including a human waste composting system, and its produce is sold in the market. The agricultural project also creates biodiversity. Pra Payom intends to cultivate as many kinds of fruits as possible. The total cultivated area in Nonthaburi covers 150 rai and grows a variety of fruit, including star fruit, oranges, mangos, rambutans, durian, winter melons, vegetables (olives), herbs, and seasonings and medicinals. He even grows chestnuts there as well.

5) Media and Publications

Pra Payom is known as one of the famous preachers of Thailand. He introduced a very "modern" way of talking about Dhamma in a language that is understandable and accessible to the audience, especially youth and men. His sermons draw the attention of diverse kinds of people. The sermons are both simple and right to the heart of the people. He always uses words that are striking and that challenging people. His bluntness, humor and honesty have made him famous among teenagers. He was one of the first to give sermons to the young. His sermons hardly put them to sleep because he offers interesting information in addition to his jokes. He usually comes up with catchy sentences that make them listen with their hearts. He realized that Buddhist teachings were excellent, but they are not accessible to most people. The language is one of the barriers, so his aim was to change it to a more accessible language. His outdoor sermons attract the public and teenagers more than a music concert.

His reputation as a famous preacher has attracted over 50 thousands people to attend his sermon in Sakol Nakhon province; his longest sermon was 16 hours. In 1981, he was invited to preach more than 840 times, mostly to teachers and students. He was scheduled to give over 840 lectures a year, and launched his Dhamma cassette, selling over 200 albums a year (Pitisasikorn, 2009, 3). He appears everywhere, on television, on the radio, in newspapers, in schools, in universities, on the debate stage, etc. While traveling around the country giving Buddhist lectures to various types of people, he realized that to spread the Buddhist teaching is to help most people gain easy access to Buddhist teaching anywhere and anytime. Therefore, the cassettes, which later turned into CDs, VCDs, online media, and books could be his strategic weapon to spread Buddhist teachings. At an early time he taped his sermons on cassettes, CDs, VCDs, etc. and sold them to those that were interested but could not come to his sermons or they wanted to appreciate more of his teaching. The Dhamma-recorded cassettes of Pra Payom became as popular as pop music. His Dhamma records were available in department stores with total sales of over hundreds of thousands. They were so popular that his sermons recorded on cassette were listened to on local buses and tour buses, and teenagers listened to them with their portable sound stereos. Pra Payom has promoted listening to Dhamma not

only among teenagers but also teachers, students, and middle-class and lower-class people without precedence.

Apart from the cassettes, Pra Payom knew that books about Buddhist teaching were another weapon to reach the audience in order to pursue his aim to spread the teaching. However, most good Buddhist books are left unpublished because they were not marketable. Pra Payom realized that he could make the Dhamma books marketable. His straight forward, easy to understand language in terms of Buddhist teaching could be sold. Those that came to his sermons even asked him about the Dhamma books. Some asked about the foundation tasks and events, and the temple's activities. Hence, he started to publish a two-month Dhamma journal called Rom Poh Keaw in 1994. Later on, in 1998, the journal was changed to Kaunlayano journal, a quarterly journal.

The publications and media are not meant to make a profit, even though they generate a considerable amount of income to support the foundation's activities. The aim is to make it more available to the public. Pra Payom gives them to those that donate to the foundation, as well as sells them to those that prefer to purchase them. At present, incorporated with Watta Classified Company Limited, Pra Payom has adopted marketing strategies to produce several kinds of media to spread and encourage Buddhist teaching. For instance, in 2005 he launched a series of ringtones called the Pra Payom ringtones for teenagers and people to download along with wallpapers. In addition to the ring tone and wallpapers, a cartoon "Nen Payom Jom Yoong" that provides the Dhamma principle and Buddhist doctrine by Pra Payom was launched. The cartoon is suitable for both adults and children to enjoy. It is also available in the e-book format. In addition, there is a series of Dhamma pocket books, a reconciliation series, all of which are written and contain lectures by him.

Recently, the foundation has applied a new means to deliver the Dhamma to a wide range of people by introducing a website, <http://www.kanlayano.org>. With the use of modern technology, he believes that he can more widely spread the teaching. As stated in his website, there is no need to visit the temple for the sermons but they can be heard online. The website enables the foundation to communicate the Dhamma, and the foundation's activities, both non-income generating and income

generating. For example, in a recently project to help the unemployed, he produced a shirt which he called “a shirt for those who don’t want to be poor,” and advertise it on the website, along with the history of the foundation, its activities, the journal, the Dhamma online, etc.

4.2.4 Motivational Factors

4.2.4.1 Perceived Social Legitimacy

Grown up in poverty, witnessing domestic violence as his father drank and assaulted his mother, Pra Payom could have ended up like those in his neighborhood, a drunken laborer. However, listening to the Dhamma radio program every day, he had his mind trained and had come to realize that the secular life was not his path. Hence, he became a monk with a desire to spread Buddhist teaching. Influenced by Buddhadas at Suan Mokkhaplaram temple after staying there for seven years, Pra Payom renovated Wat Suan Kaew, an abandoned temple in Nonthaburi into a forest garden like Suan Mokkh and became a preacher to pursue his goal to spread Buddhist teaching. While spending his time spreading the Dhamma, Pra Payom noticed a range of social problems such as drug abuse, prostitution, gangs, corruption, and poor health. Therefore, he established the Suan Kaew Foundation to provide social services, as he noticed that the demand for social services to address the issue of poverty, the unemployed, the homeless, and addiction was far from satisfied. His passion to help alleviate poverty by employing Buddhist teaching, along with social and environmental development, is a primary aim of the Suan Kaew Foundation.

Pra Payom started his first income-generating activities in publications, besides giving lectures. His Dhamma books and recorded cassettes were so popular that they were sold in department stores and music stores in the hundreds of thousands. The public has responded to his sermons with enthusiasm. They realized that listening to the Dhamma cassettes was one kind of Dhamma practice that helped to elevate their souls and encouraged them to be better persons. Moreover, they realized that they did not only make merit but they also put Buddha’s teaching into practice because the money they paid for the cassettes would be for helping the poor. Pra Payom always communicates to those that attend his lectures and the public about his development projects to help the poor.

The Bridge of Merit and the Supermarket for the Poor were other income-generating projects that were well received by the public. In terms of donors, they welcome the projects energetically. Since the projects started, Pra Payom has received a massive amount of donations which he could hardly manage in the first place because there was not enough space in the temple to store them before being distributed to the needy. At that time, the temple only had 3 rai of land; however, Pra Payom used the income generated from the projects to extend the land to 155 rai. There are several types of donors, for instance, the individual donors that would call the foundation officers to collect the goods at their home, and the donors that attended Pra Payom's sermon and brought their unused belongings for donation. The most important donors are the institution donors that donated their used electric appliances, computers, office furniture, etc. to the foundation in a vast amount. At present, the top five donors are Siam Commercial Bank, Krungthai Computer Services Co, Ltd., Mitsubishi Elevator (Thailand) Co. Ltd., Thai Paper Co. Ltd., and the Academic Service Division, King Mongkut's University of Technology Thonburi. Some donors have incorporated their marketing campaign with the Bridge of Merit Project, for instance, GE Money Thailand Co. Ltd., which launched a campaign in which old TV sets were traded in by GE Money customers. The campaign was so successful that the company donated more than a 1,000 old television sets to the Suan Kaew Foundation.

In terms of the foundation's clients, the poor and the underprivileged have benefited from the projects as well. As the projects have expanded, they have created a large number of jobs for them. The foundation has to set up an office to deal with the calls for donation collection and this required an office attendant. At first, the foundation hired the mini trucks to do the collection; however, due to the great number of donations, the foundation has purchased its own trucks and created a job of collecting the donations. Moreover, the donated products needed to be sorted, counted, fixed, refurbished, etc., which required a number of laborers as well.

The supermarket sells the surplus goods to the poor. Pra Payom realized that most customers that are the poor will be benefited from the project. They can enjoy the inexpensive merchandises from the supermarket. It is not only the poor that come to the supermarket, but also the secondhand merchants that see the supermarket as their source of materials. Some secondhand clothes merchants

perceived it as their alternative source of materials, while Rong Kluea Market, the largest market of secondhand products in Thailand, is their first alternative. One of the used clothes merchants in Nonthaburi said that he gained a 500-600 baht profit a day. He purchases the low price clothes from the Supermarket for the Poor at 1-10 baht and resells them at 20-30 baht. The Supermarket for the Poor helped him to be self-reliant and to earn a living well at a time of personal crisis. Antique merchants and small furniture retailers can also earn a lot of profits from the supermarket. According to Pra Payom, many of them can gain wealth from trading and working at the supermarket. They can buy their houses, cars, trucks, etc. from those discarded materials.

4.2.4.2 Degree of External Dependence on Pressuring Constituents

The Suan Kaew Foundation relies mostly on donors; however, the donors are unreliable. In the early years of preaching, at the height of his fame, Pra Payom could raise a large amount of money from the donations and his publications. However, when his popularity declined, the donations decreased. Moreover, an economic crisis could decrease the numbers of donors and amount of donations as well. Pra Payom has faced the problem of raising funds to support his projects through all these years of operating.

In 2008, Pra Payom opened his temple to a United Front of Democracy against Dictatorship (UDD) rally to conduct a live phone-in interview with Thaksin Shinawatra on NBT's talk show Truth Today, which was to be broadcast from his temple. As a result, Pra Payom has come under heavy criticism, from academic scholars, the People's Alliance for Democracy (PAD), and the general public. Academics have been criticizing him that religion and politics should not be mixed, that monks should stay out of the affairs of lay people. After all, Buddhist principles relinquish all worldly desires and matters, and hosting a political rally is not exactly a path to enlightenment (Bangkok Post, 2008). The PAD coordinator, Suriyasai Katasila, also criticized him, saying that despite the fact that he had the right to address political issues, he should be warned that his reputation would be at stake. Getting involved in politics means that he had to be prepared for criticism. Since then, Pra Payom and the foundation have faced the problem of decreasing funds from the sermons. The numbers of invitations to give sermons to the public, for instance, at

private companies, schools, universities, etc. has decreased rapidly. Some were afraid that he would cause trouble during the political conflicts. Therefore, Pra Pyom has given more of his attention to the Environmental and Agricultural Project. He spent most of his time in the temple taking care of his gardens and inviting his followers and people that believe in him to come to the temple to make merit.

4.2.4.3 Degree of Interconnectedness

The Suan Kaew Foundation has a high degree of interconnectedness. Pra Payom plays a master role in information dissemination for the foundation. While giving sermons, Pra Payom not only teaches the audience Dhamma but also informs the audience of what has occurred with the temple, the activities that the foundation carries on, etc. He always publicizes himself. He is on the news and whenever there is something related to religion or to the society, the reporters would come to ask for his opinion. He is also the image shaper of the foundation in generating positive publicity for the donors and enhancing the foundation's reputation. He keeps the public informed about the activities of the foundation. Every time that he launches a new project, he would see that it gets in the news either in the newspaper or on television or the radio. He used to have his own radio program and television program on the NBT channel. This made people aware of his activities and understand his objectives. They tended to donate more.

Pra Payom also incorporated with private companies and government agencies to act as his partners and related their activities to his project, for example as with the famous Bridge of Merit. For instance, on the occasion of the World Environment Day, Pattaya City organized the project "To safe Pattaya, to reserve and protect the environment," in order to urge people recognize about the importance of giving a helping hand to environmental protection and for a better living. The city had included the donation of reusable item as well as money for the poor to its project. The public was informed about Pra Payom's project and the city also held an exhibition about the foundation activities along with selling the products of the foundation such as pesticide-free vegetables.

4.2.4.4 Financial Constraints

Like other religious organizations, the Suan Kaew Foundation raised its funds through individual donors and merit-making ceremonies, for instance, Tod

Pha Pa, Tod Katin. At present the sources of funds are from: 1) giving sermons at ten percent, 2) donors at ten percent, 3) publications and media at ten percent, 4) the foundation's produce at ten percent, and 5) the recycling materials at sixty percent. Pra Payom is the only fund raiser of the foundation that solicits financial support from the public, the business sector, and from other organizations.

At a young age, Pra Payom could raise financial support from the donors by giving sermons. His sermons had attracted an audience of over 10,000 at a time. Those that came to the sermons would donate to Pra Payom and he gave all of the donations for the support of the foundation. In addition, the Dhamma cassettes and books in the early years sold so well that the foundation could take care of its social service projects well. Another source of funds was from the government sector. For instance, the Department of Public Welfare used to grant a million baht annually to support the Elderly Care Unit. The Department of Skill Department granted an initial fund for the training building in the Rom Poh Kaew project.

However, those funds were limited, especially the grants from the government agencies. Sometimes the foundation faced a problem of deficit because there was a large number the underprivileged under the care of the foundation. Pra Payom never denies accepting those that need help to the project. Hence, he realizes that to rely only on donations could put the foundation and its projects into jeopardy. Even though he could raise an enormous amount of money, over ten million baht annually, he spent it all on the support of the projects and sometimes he had to get a loan to support them as well. He realized that while the foundation helped the underprivileged to be self-reliance, the foundation itself should be self-reliant as well. Therefore, there was a need to establish a self-reliance project that could generate enough income to support the foundation's projects in the long run.

Moreover, Pra Payom and other board members of the foundation are well aware that currently Pra Payom is the one and only person that oversees these charity projects from fund raising to controlling. He is the reason that all donors wanted to donate to the foundation either in cash or in other forms of donation. However, the foundation should be able to pursue its mission and sustainability, even without Pra Payom. Another project that could help the foundation to be more reliable is the Environmental and Agricultural Project. Pra Payom intended to use it to

generate income for the foundation in the long run. He believes that food is important to mankind, and at least the produce from the project would enable those underprivileged to be self-sufficient. They could earn their living on the rice farms and fruit farms.

4.2.5 Organizational Factors

4.2.5.1 Entrepreneurial Orientation

1) Innovativeness

Pra Payom's innovativeness was obvious. He initiated a range of projects from alleviating poverty to environmental development, each of which was unique and was done in his own style. As some Buddhist monks were criticized for employing commercial Buddhism to attract and spread the teaching, Pra Payom employed it as well but in the opposite direction. Unlike those that use commercial Buddhism to accumulate wealth, Pra Payom uses it not only to disclose the truth of the Dhamma so that Buddhists will receive sufficiently correct knowledge to obtain its real benefits, but also to set an example of how Dhamma can assist society as a whole. By adopting Buddhadas's teachings, he fully realized that to bring back Sila-Dhamma into society, it is necessary to spread the Dhamma in a more precise and easy-to-understand style, and Dhamma should help improve the life and welfare of the people. Therefore, he created his own style of preaching, which was then appreciated by the teenagers and a wide range of people. He created a modern means of Dhamma talk more understandable, more humorous and more touchable, and he became a role model of currently famous preachers in Thailand. For example, Pra Maha Sompong, a famous preacher that brought fun into Dhamma for the young, admires him and praises him as a role model. Pra Buddhadas once said that he himself had been preaching Dhamma for more than 50 years but still he never gained the acceptance of teenagers in the way Pra Payom did (Suchira Payulpitack, 1991: 165). In addition to the Dhamma spreading, Buddhadas's teachings emphasize that nothing deserves undertaking more than training people so that they have an understanding of the spiritual life and can improve their standard of living. Hence, he established several projects engaging in community development. The projects themselves were not innovative because they were similar to those of other monks that adopted the

Buddhadass's teachings, for instance, training the youth by ordaining them as novices during the summer, opposing alcohol and smoking, therapy for drug addicts, vocational training for the unskilled, etc. The means he used to convey his message to them, however, was innovative, as mentioned earlier as a "modern" style of preaching that can reach the teenagers. He was also among first groups of monks that incorporated marketing strategy to spread Buddhist teaching. It is necessary to bring Dhamma to people as much as possible; therefore, marketing strategy is one means to accomplish this. The new media such as CDs, VCDs, books, websites, online radio can convey the Dhamma directly to their home. Monks should not wait for them to visit the temple only on special religious occasions, for instance, Kao Pansa-a Buddhist Lent Day, Visakabhucha-a day in memory of Lord Buddha's birth, enlightenment and death, etc., that would not help society at large. Monks should change their method of spreading the Dhamma teaching in accordance with the changing society.

The Bridge of Merit was innovative in that instead of requesting money or usable goods that most would do, Pra Payom incorporated the concept of the Tod Pha-Pa ceremony, a form of merit-making when Buddhists offer saffron robes to monks and donate money to temples, with donation. Pra Payom requested unused or unwanted offerings from the rich to help the poor and the foundation acted as the medium. Meanwhile, there was a surplus of donations which caused another problem for the temple once the foundation could not directly distribute those goods to the poor. The excessive amount of goods was a burden to the foundation to maintain; however, he set up the Supermarket to the Poor as an outlet for those goods, and made it famous not only for the poor but also for the middle class that were antique collectors.

Another innovative idea that Pra Payom generated from the Bridge of Merit project was the powdered cement produced from construction and demolition debris. One type of donated materials was construction debris which consisted of concrete, bricks, rocks, etc. and perceived as non-recyclable material. However, Pra Payom, recycled it by sorting, crushing, grinding, and sieving it into recycled aggregate and resold it to fill up low-lying areas. The recycling process produced a value-added quality to the debris. It was sold at 500 baht a truckload.

2) Proactiveness

An example for the proactiveness and innovativeness of Pra Payom was when Thais were crazy about the talisman, Jatukham Ramathep, in 2007. The amulet gained popularity and sold country-wide in great volumes. Pra Payom had watched this with growing concern. He was worried that the talisman worshippers were drifting away from the essence of Lord Buddha's teachings, which accentuated self-reliance and good deeds. Therefore, in order to warn people about this, he introduced the "Jatukhum" cookies to mock the craze for the Jatukham Ramathep talisman, with the help of his follower, Somboon Ijayavorakul, a chief executive officer of the graphic design company, Watta, who designed them. Playing with the name, he altered the name from Jatukham to Jatukhum; which khum in Thai means a bite and jatu means four. (Wongrung, Bangkokpost, 2007). The cookies were four-bite biscuits, resembling the popular talismans, and were the same shape and design. One side bore the word "Jatukhum" with a gold leaf, and the other the words Ou Ar Ka Sa, as well as Phra Payom's signature. The four words were taken from the Lord Buddha's teachings, reminding Buddhists to maintain self-reliance, from which everybody can be rich. The words mean diligence, saving money, association with good and moral people, and being simple and modest. Pra Payom was not only embracing the new and innovative idea but launching them at the right moment, while the popularity of the Jatukham amulets still existed. The cookies were an overwhelming success and orders for Jatukum cookies exceeded the production capacity, and later on he extended the production line to Jatukum t-shirts. Jatukum t-shirts would be produced in a limited collector's edition of 999 and sold for 180 baht each. The front of the t-shirt was printed with the Jatukum logo and carried a short statement encouraging people to work hard and save money.

3) Risk Taking

Even though the evidence of risk taking in establishing most of the projects was not obvious since they did not represent much of an investment, the income-generating projects showed some risk taking behaviors. First, in the beginning of the Bridge of Merit Project, there were some that criticized and disagreed about the project because it could ruin the temple surroundings as a place of peace and cleanness. It might drive away the donors or those that wanted to visit and listen to his

sermon. However, he persisted with the project until it was successful. There were several problems that occurred while implementing the project. For example, there were not enough trucks to collect and transport the donations since Pra Payom hired those trucks from independent owners. Scheduling was also a problem. Some donors already prepared and made an appointment with the foundation but the truck did not pick them up at all or they could not come on time. Sometimes the truck was too big so that the workers spent a whole day moving the materials from the truck to the storage. This meant that they could only collect the material once a day. That upset the donors and they swore not to donate to the foundation ever again. Pra Payom had the problem solved by purchasing more trucks with a loan, rescheduling the transportation. That increased the number of trips from 10-20 to 30-40 times a day and the donors were more satisfied and willing to donate more. In addition, there was a requirement for various types of equipment for the fixing and refurbishing process of heavy equipment, for instance, grinding machines. The most expensive was the building; the three storage buildings for sorting and storing totaled 50 million baht. Several building was funded by a loan, including the buildings in the extension branches. At present, the foundation still continues constructing more buildings for various kinds of foundation activities.

4.2.5.2 Top Management Commitment

The Suan Kaew Foundation Board comprises Pra Payom, a chairman, Duangjai Titiyaruk, a secretary, Sombghat Chatarupacheewin, a manger, and other board members with a four-year term. Pra Payom is the chairman, the leader, the founder, the abbot, and the most powerful in the foundation. Pra Payom has devoted his time managing every project himself. He contributes the initial ideas, promotes, communicates for understanding, manages, and even markets the projects. He not only spends his time taking care of the projects but also allocates a budget to support them. For example, he would allocate approximately three million baht each year to support the summer camp project that offered jobs the poor students so that they could earned some money to continue their education. Those students would be assigned to do tasks to support the income-generating projects, including the students that had the skills in electronics to fix electric appliances.

Duangjai Titiyaruk, secretary of the Suan Kaew Foundation, has been working at the foundation for over twenty years since 1985, as a volunteer. Duangjai started her work as a volunteer at the foundation when she conducted an interview with Pra Payom as a part of her work. She noticed the pile of paperwork that Pra Payom could not manage by himself and she volunteered to help him deal with it. Later on, with an excellent job with the paperwork, Pra Payom asked her to work for him. She denied but volunteered to work for him in her spare time and gradually became the foundation's secretary. She helps Pra Payom look after the foundation, while he is busy with his engagements outside the temple. She helps him promote an understanding of the foundation's objectives to help the poor and underprivileged, and searches for how to generate more revenue to support the foundation's projects. She assists him with every aspect of all the projects' implementation. She is one of the strong driving forces for all of the success of the foundation.

4.2.5.3 Human Resource Readiness

Even though, Pra Payom started the Supermarket for the Poor under the intention of giving the rich an easy way to share their wealth with the underprivileged through donations of their discard materials, the foundation would act as a mediator to distribute the donations to the needy. However, when there were large numbers of donation materials, they needed to be managed. A project was set up to be a recycle center where there was a call center, a collection point, a pick-up service, a sorting and screening department, a refurbishing and fixing department, etc. The foundation was ready in terms of the quantity of the staff dealing with this affair since there were several hundreds of poor, or students under the care of the foundation. Moreover, the tasks were not so complicated, except the refurbishing process, which required special skill. For the computer refurbishing, Pra Payom incorporated with government agencies and set up a training program for his workers. In addition, he recruited students that had electronic skills to repair them. For the furniture refurbishing, electric appliance fixing, and clothes fixing, the Training House was available. Later on, the foundation used the in-house training method, learning by doing, where the senior workers trained the junior workers. The foundation also offered a job rotation where workers were moved to the jobs that did not require special skills which gave them a wide variety of experience. For the

students, the jobs varied from day to day depending on the labor needed in each section.

The Environmental and Agricultural Project was a labor-intensive project which required a number of workers, for instance, for watering, planting, fertilizing, etc. Those would suit the residents under the care of the foundation, for instance the elderly and the young. Some summer students would be assigned for watering the plants. Pra Payom explained that many of the elderly in the elderly care unit, especially those that were plant lovers or had their background in rural areas, enjoyed working in the garden very much. The foundation also had a staff that graduated from Maejo University, one of the oldest agricultural universities in Thailand, to be responsible for the project as assistants of Pra Payom.

4.2.5.4 Organization Size

The foundation itself was not large since there were only ten board members, and a number of permanent staff. However, the foundation was also responsible for its residents under the foundation care, for instance, the poor, the underprivileged, the disabled, the elderly, and the students. Although there is some turnover in the number of residents, with some members leaving and new or veteran ones arriving or returning, generally there are at least 600-1,000 residents that work on one or more of the projects. During the summer time the number will increase because the students in the summer camp projects come at that time. They work as temporary staff of the foundation. Some become permanent staff. Actually, Pra Payom has never had a policy to terminate his residents, except ones that violate his rules. It means that everyone can stay as long as they prefer. The rules that one would be expelled for are: 1) drinking, 2) gambling, and 3) doing drugs. Therefore, the foundation is responsible for accommodations, health, and wages. The wages are a burden on the foundation. It requires a budget of approximately 3 million baht a month to cover the payment of all the projects. In order to support its resident and to be self-reliance, the foundation has to initiate projects that generate enough income to support the payments.

4.2.5.5 Leadership

Pra Payom is one of the most famous and respected person in the country. Like other major spiritual religious leaders, he has influenced his followers.

His charismatic role model inspires admiration from his followers and subordinates. Those that work with him, for instance Dungjai Titiyarak, the secretary of the foundation, has come to work for him because she admires and respect him. She can see through his hard work, and understands his mission to help the poor and the needy to help themselves. Others perceive him as a role model. They pay high respect to him not only because he is a monk that they must respect because of his abbot status but as a person that has accomplished a great deal; not because of his preacher status, but because of his work to practice the Dhamma and setting an example of how to use the Dhamma to help people. He does not just preach but he acts on his preaching.

Pra Payom also employs inspirational motivation by expressing his future vision and shows his subordinates how to achieve goals and how they can help him do it. Pra Payom always looks for new methods to help people whenever or wherever there is a need. At present, he searches for a way to sustain the foundation, and he perceives that after he has gone, his subordinates should pursue the goal of helping themselves and the poor. By planting the fruits and vegetables, he believes that they can feed the poor and generate some money. He always oversees his plant gardens himself everyday in his free time; for instance, in the evening when he does not engage to Buddhist activities he walks around the garden to see how things are going.

4.2.6 Relationships Among Factors

Apart from those nine factors that affect the adoption of earned income, there are some associated factors that influence the adoption of earned income opportunities. First, the degree of external dependence on pressuring constituents is associated with financial constraints. The Suan Kaew Foundation, similar to other religious organizations, directly and vicariously relies on donations. Therefore the most important constituents of the Suan Kaew Foundation are the donors, both individuals and institutions. Therefore, pressuring constituents is related to financial constraint. When Pra Payom was at his highest fame, he could collect donations from his sermons at about 100,000 baht a day. But when the temple faced the problem of the political conflict between the red-shirts and yellow-shirts, the donations decreased significantly. Moreover, the Bridge of Merit project also depends on donations from

individuals and institutions. The discarded materials, which are the most important input for the project, are from the foundation's constituents. The foundation can pursue the project because those constituents continue to donate the material, especially the institution donors that always donate big lots of electronic appliances, for instance, used computers.

4.3 Thai Holistic Health Foundation

4.3.1 Background

The Thai Holistic Health Foundation was officially established in 1996; however, the organization was initially founded as Traditional Medicine for Self-Reliance Project (TMSR) in 1979 under the patronage and subsidy of the Komol Keemthong Foundation. At that time, the government placed little to no value on traditional medicine as a consequence of the health law in 1923 and 1936 (Vichai Chokevivat and Anchalee Chuthaputti, 2005: 5). Since then modern medicine came to replace traditional medicine as mainstream health care. Most Thais deemed traditional medicine as unscientific, unsafe and out-of-date. Fortunately, the World Health Organization (WHO) realized that conventional western medicine was not enough to solve health care problems. The WHO encouraged its member countries to include the maximum level of community involvement, individual self-reliance participation, and making the fullest use of local, national, and other available resources, e.g., medicinal plants, indigenous medicine, and appropriate technology in their primary health care (PHC) programs. As a result, Thailand's Ministry of Public Health responded to WHO's call by including a policy to promote the use of medicinal plants in PHC since the time of the Fourth Health Development Plan (1977-1981). Since then government policy regarding the promotion of the use medicinal plants and traditional medicine has continued and expanded until today.

Moreover, modern medicine is considered high cost and loss of self-reliance in health care through traditional medicine. It was estimated that the inability of modern doctors to assess the cost-effectiveness of their treatments and the non-compliance with essential drug policy could account for the waste of tens of billions of baht per year. Nevertheless, most of the healthcare budget was spent on diagnosis and

treatment rather than on health promotion and disease prevention, which cost less. The reliance on modern medicines even for the relief of common minor symptoms that in the past could easily have been healed with herbal medicines, made the country lose its ability to rely on domestic resources. It was estimated that 30 percent of the people in Thailand had no access to medical services provided by the government, while 80 percent of the illnesses could have been treated simply through traditional means.

Moreover, during this period, the Ministry of Public Health received financial support from UNICEF to promote traditional medicine in Thailand. The ministry started a program to promote the use of traditional medicine for self-reliance. The government received further donations from the Gesellschaft für Technische Zusammenarbeit (GTZ) of the Federal Republic of Germany. In addition to the Ministry, non-governmental organizations have also played a significant role in the promotion and development of traditional medicine. TMSR, later the Thai Holistic Health Foundation, was established in consequence of the government promotion of traditional medicine. The activities of TMSR were to educate rural Thais about the health benefits of medicinal plants by providing training, publishing books on medicinal plants, and serving as a medium to share experiences among users of medicinal plants.

The founders of TMSR were two friends: Rosana Tositrakul, a graduate in mass communication from Thammasat University, and Suphot Attasawapuntanakul, a graduate in pharmacy from Mahidol University. They were among the group of young people that came into their social and political consciousness during the turbulent decades of the 1970's and 1980's in Thailand. Under the influence of Gandhi and religious Buddhist concepts of "ahimsa," or nonviolence, they intend to work for social change through traditional medicine.

She and her friend began their project in a simple manner. They went to a village and befriended the head man, and slowly gained his trust. Rosana and her friend believed that if they could slowly gain information about how just one herb had been used in that village's history to treat an illness this would be their opening to knowledge. They would select safe, edible herbs that were easy to grow and were not toxic.

During their first decade, the main goal of TMSR was to collect and disseminate knowledge about traditional medicine. Like the Ministry of Health, TMSR was aided by the World Health Organization, which launched a project in 1982 to promote traditional medicine. UNICEF and German funding agencies also provided their financial resource. During this decade they expanded their work to a total of thirteen villages in the Kud Chum district in Yasothon province.

At that time, the villagers of Ban Sok Kum Poon, Tambon Naso, and Kud Chum district led by the headman of Ban Sok Kum Poon-Mun Samsi, sought to be self-reliant by establishing their first community business, the Soke Kum Poon Village Development Fund Shop, in 1980, to reduce the community's dependence on three grocery shops which enjoyed a virtual monopoly and overcharged people. At the beginning, there were only 57 members with a 3,800 baht original fund. However, this grew to more than 200 members and over a 300,000 baht fund. The success of the first initiative led to other spheres of self-reliance initiatives, for instance, the Kud Chum Association of Traditional Medicine Practitioners. They focused on substituting expensive modern medicines and conserving herbal medicines by renewing interest in traditional remedies. In order to accomplish the task, they started with collecting traditional medicine from local wisdom, training, promoting, and disseminating information on the use and cultivation of medicinal plants. Their efforts were supplemented by a Natural Medication and Herb Interest Group called Tang Sai Mai or New Way Group, which was formed by the abbot of Wat Tha Lad, Phra Khruu Supajarat, TMSR, and Chujira Mitrawong, a representative from the district hospital (Parnwell, 2005: 11).

The Group studied and cultivated medicinal herbs on the grounds of the temple and in villagers' home gardens, and later in community forests. By 1983, the association was able to help villagers reduce their costs in relation to medicine from \$12,000 baht to \$3,000 baht. In 1990, the villagers of Ban Naso transformed the Kud Chum Association of Traditional Medicine Practitioners into the Herbal Medicine Center of Tha Lad village where the herbs were planted, processed and prepared as medicines which were then distributed to local villagers in its shop. In addition, the center also practiced Thai massage or nuad thai, hot herbal compresses and herbal steam baths, as well as transferred the selected knowledge of traditional medicine to

other villages nearby within Yasothon province and health-care personnel through training, demonstrations, and publication in various other media channels.

After their first decade of work, TMSR, together with villagers in Kud Chum district, began to turn their attention more toward the encouragement of self-reliance to cover other aspects including food, environment, and society. They also focused on the rehabilitation of the community forest that had been a source of medicinal herbs but which had become badly degraded by farm and resource over-exploitation. A community forest conservation project was established to encourage villagers to replant trees and rehabilitate the community forest. As TMSR's work has progressed into its third decade, many changes have occurred in Thailand. Chemical-free farming arose in the 1990's. TMSR again played an important role in this development.

In a search for solutions to the unsustainable effects of conventional chemical-based agriculture, TMSR found the work of Masanobu Fukuoka, a Japanese leader in chemical-free agriculture, an approach called Natural Farming. Rosana Tositrakul translated his seminal work, *The One Straw Revolution*, from English into Thai. The book has been reprinted ten times in the past twelve years. Moreover, Rosana went to Japan and spent a year studying with him and invited him to visit Thailand and Kud Chum District. His visit and his book "The One Straw Revolution" encouraged the adoption of the organic farming method in Kud Chum district. As they realized that only traditional medicine did not address their problem of health care. During the ten years of working with Kud Chum District, TMSR found that the villagers' illnesses were caused by pesticide poisoning. Villagers became aware of the dangers of chemical use in farming from their neighbors' illness and from the degradation of the soil. Therefore, they started to grow chemical-free and organic rice for their own consumption. Meanwhile, the concept of chemical-free foods and organic foods began to spread wide. Consumers became increasingly interested in foods that were free of pesticides. In addition to working in promoting self-reliance, Rosana realized that TMSR needed to find ways to match the urban health conscious consumer with the rural producer. Moreover, TMSR realized that encouraging villagers to continue their activities for the benefit of health care and the environment was necessary but not enough. Economic incentives were also an important factor in order for the activities to be sustainable.

As a consequence, the community decided to start its own rice mill in 1991, after the success of the herb gardens and health center. The community had also established the Love Nature Association to run the mill, and distributed their produce, chemical-free rice. The community mill was financed in part by village members and by TMSR. The amount of 60,000 baht was raised through share offering to village members and 16,000 baht advance payment for milled rice was offered from FON. Meanwhile, TMSR had also searched for a means of its own to be self-reliant since there was a signal from the fund donors that they would be moving out of Thailand. Therefore, TSMR needed to generate income from other sources.

Moreover, around 1991 Rosana had visited the Thai Student Association in Germany. She met Asst. Prof. Dr. Anchalee Sanguanpong, a vice president of THAIHOF, who was then a doctoral student in toxicology and they became friends since then. Dr. Anchalee introduced her to BUNGOS in German, an abbreviation of Business NGO. BUNGOS are NGOs which have a sustainable economic base. They connect customers, communities, and customers to good quality products at reasonable prices. An example of well-known BUNGO is Spinnrad, Demeter, Bioland, etc. They are not only nonprofits doing business but also emphasize the quality of the products they sell. For example, Demeter started with the biodynamic movement or biodynamic farming, the foundation of renewal of agriculture, and extended to become a world-wide trade organization which sells more than 35,000 products ranging from Italian antipasti and whole grain bread, first-class wines and award-winning ice-cream, to clothes and toilet articles. Demeter is claimed to be the biggest provider of organic food world-wide.

As a result, TSMR established the Friends of Nature Association in 1991. TSMR realized that it was necessary to create new markets for the villagers' produce since it was the key of the economic incentive in encouraging villagers to continue to invest in alternative farming. One of the economic incentives offered for them to convert to alternative farming was that they could obtain 10,000 Baht (\$200) per metric ton for organic rice, compared with 5,000 Baht (\$100) of ordinary rice. In order to be able to run the mill, FON hired experts to give advice on accounting and marketing to the villagers. Several NGOs also help, for instance, the Foundation for Children, to make future contracts to purchase their rice in advance. This method

made the capital available for the villagers to buy rice and to process it without obtaining a high interest loan. This enabled them to make a profit and to be sustainable. The Kud Chum rice mill was one of the first mills in the country to produce chemical-free rice and initially it was sold through the Friends of Nature. FON acted as their distributor. At the beginning, they branded the rice, both chemical-free and organic, under the name of the Friend of Nature but later villagers used their own brand, for instance, Thung Ruang Thong. Some are distributed to Bangchak Petroleum Public Company. The mill was also the first to export organic jasmine rice to Europe. Their first group of customers was those that visited the villages at the same time that Fukuoka visited Kud Chum and the villagers had expressed their interest in using chemical-free farming method. They were also interested in consuming chemical-free rice and stated that if the villagers grew it, they were more than willing to purchase it because they no longer wished to consume chemical rice.

In addition to rice, FON also marketed herbal medicines for them, and purchased their herbs as raw materials to be processed as herbal products and distributed them under the FON brand. The Kudchum villagers found that to grow herbs in their gardens was too time-consuming and discovered that no other economic benefits accrued to them other than the reduction in medical bills. They preferred wage employment, which would give them purchasing power for ready-made herbs. Therefore, they established a Raw Material Center which produces 100 percent organic rice, as well as other chemical-free crops and herbs. The FON became a profitable wholesale-retail business that commercializes herbal products and chemical-free rice with a fair return to the villagers.

In October 1996, TMSR was renamed as Thai Holistic Health Foundation (THAIHOF) in order to be aligned with the organization's mission with progress into various dimensions: body, mind, environmental, social, and intellectual health. However, the foundation still pursues its mission under the concept of health care. In addition to the shops at the Friend of Nature, they also have a health clinic that opened in 2000 in Phuttamonhol. They are exploring Ayurvedic medicine at this clinic on land that belongs to the Foundation for Children, which is a foundation under the patronage of the Komol Keemthong Foundation as well.

4.3.2 Objectives

Over the years, THAIHOF has developed expertise in several related areas: the scientific study of the medicinal properties of herbs, supporting field research into natural farming methods, developing co-operatives and marketing enterprises, and communicating all this knowledge to a wide variety of audiences. Therefore, its objectives are as follows:

1. To develop and disseminate information on holistic health and traditional medicine through print materials and other media, and to provide service in holistic health including training and workshops.

2. To encourage research and studies related to the use of herbs for the prevention and treatment of diseases, including HIV/AIDS; for instance, a study of Medicinal Plants in Traditional Medicine Texts of Northeast Thailand, the Holistic Health and Disease Prevention Project with Mahidol University and other health research institutes.

3. To promote herbal medicine production, production of food safety, and health consumer protection and sustainable agriculture, including collecting information and knowledge on the cultivation of medicinal plants and quality control of raw materials, promoting the cultivation of medicinal plants for extra income by community members, conserving local medicinal plant resources, enhancing the capacity of community-based enterprises in production of plant raw materials, the Alternative Agriculture Certification of Thailand (AACT), inspections of member farmers, using chemical-free and organic categories, and the development of organic technology in soil fertilization.

4.3.3 The Activities

In order to generate its own income for being self-reliant, the foundation broke their activities into two arms: the Thai Holistic Health Foundation and the Friends of Nature. The former is the non-profit arm of the organization, responsible for the advocacy, legal, and social campaigns that the organization designs to further the field of holistic medicine. The latter is the for-profit arm of the organization, responsible for: 1) creating an urban market in which to sell organic and herbal products (thus providing a sustainable income for villagers that participate in the activities; and 2)

generating income through the sale of these products to sustain THAIHOF's activities. THAIHOF is responsible for health-related activities in two areas:

4.3.3.1 Holistic Health

THAIHOF is responsible for collecting and disseminating knowledge of traditional medicine to the public, connecting traditional medicine to other sources, introducing the use of herbal therapy and natural therapy, conducting research on drug laws and medical license laws in cooperation with the Law Faculty of Thammasat University and other law experts from various well-known institutions to create suitable laws in this area, and conducting research on traditional medicine in corporation with Mahidol University. In order to accomplish its mission, THAIHOF employs various means, for instance, providing training, issuing articles in weekly newspapers, publishing books on medicinal plants, and serving as a medium to share experiences among users of medicinal plants and alternative medicine.

THAIHOF promotes chemical-free foods for a better environment and better health of both consumers and producers. In 2002, THAIHOF started to promote infant massage to enhance infants' cognitive and physical development. At the beginning, THAIHOF aimed at middle class parents by providing the information and training for them. Recently THAIHOF in cooperation with Budhika Network led by Pra Paisal Visalo, a network of Buddhists engaging in social development, has established volunteer spirit projects. As with the rituals of Thai Buddhist temples, traditional Tham Boon or merit-making is the main rituals for Thai. However, there are some NGOs perceive that making merit should not be restricted to temple-oriented charities. There are countless ways one can engage in doing something good for others. Therefore, the volunteer spirit network was established. As members of this network, Buddhist Network and THAIHOF were incorporated to pursue the infant massage project called "Touch Body, Touch Love." The project began with the orientation and training to massage infants at Pakkred Babies' Home, a home for orphans and abandoned babies. THAIHOF set up a campaign to recruit volunteers via its website and Internet-based network.

Like other nonprofit organizations, THAIHOF pursues its goal to promote social development by setting up projects funded by government agencies and international funders. The initial fund of THAIHOF was both from international and domestic funds; however, at present 90 percent of the supportive funds are from

domestic funds, i.e. the Thai Health Promotion Foundation. The projects include the campaign for Thais to consume healthy non-pesticide foods and other health promotion projects.

4.4.4.2 Friends of Nature

The Friends of Nature handles all the consumer-related and commercial aspects of THAIHOF activities. Part retailer, part wholesaler, part producer, it has grown from a tiny health food store attached to the THAIHOF offices to a successful and entirely self-sufficient small company. The product categories are health-related products ranging from herbal products, chemical-free foods, health food, vegetarian food, community products, traditional medicine and herbal books, etc. The shop is open from Monday to Friday, 9.00 – 17.00. FON's initial capital was 80,000 baht, Of the 200 items offered for sale in the store, 40 carry the Friends of Nature brand name. Retail sales account for 40 percent of the total income. Retail outlets are not only at the office of THAIHOF but also include public exhibitions, mail order, and the mobile sale of herbal products. The latter is an innovative proactive push to bring the products to the customers. Each month, the mobile sales force takes educational materials and natural products directly to office buildings in Bangkok, where consumers can learn and buy products on their lunch breaks. They also hold exhibitions as direct sale to customers. Moreover, the FON also sell its products, for instance, books, through the National Book Fair, herbals and foods for health through the Healthcare Fair and various kinds of fairs held by both private and public organizations. The market for wholesale, which accounts for 60 percent of FONs sales, is other distributors, including several large retailers: supermarkets, drug stores, and hospitals.

4.3.4 Sources of Funds

4.3.4.1 International Donors

During their first decade, the main goal of TMSR was to collect and disseminate knowledge of traditional medicine. Like the Ministry of Health, TMSR was aided by the World Health Organization, which launched a project in 1982 to promote traditional medicine. UNICEF and German funding agencies also provided their financial resources while collecting and disseminating the knowledge during the second decade of their project, which helped them in expanding their work to a total

of thirteen villages in the Kudchum district in Yasothon province. And in the third decade, the CIDA funding of Canada had approved the project submitted by CFSC (Canadian Friends Service Committee) to support the Ayurvedic clinic at both levels: first, the level of over-the-counter or off-the-plant public use of remedies for minor complaints; and second, the level of treatment of more serious conditions, especially for the poor.

4.3.4.2 Domestic Donors

In the beginning, most of THAIHOF's financial support was from local organizations such as the Komol Keemthong Foundation, the Ministry of Public Health, the Ministry of Science and Technology and Environment. An example for the financial support was the collaboration project of the district hospital in Thalaad. The Kudchum Association of Traditional Medicine Practitioners had been established and was transformed into the Herbal Medicine Center of Thalaad village in 1990 with the support of 500,000 baht a year from the Thai Traditional Medical Institute, Ministry of Public Health. Moreover, THAIHOF was also be able to draw some donations as the initiation of the community business in traditional medication in 1983.

At present, ninety percent of THAIHOF's funds are from institution donors and ten percent is from individual donors. The main institutional donor is the Thai Health Promotion Foundation.

4.3.5 Motivational Factors

4.3.5.1 Perceived Social Legitimacy

The first of THIAHOF's income-generating activities was the rice mill, where TMSR incorporated with the Kud Chum farmers, established it as a way to promote organic farming. When farmers grow the organic rice, it requires a special procedure to mill the rice, it cannot not be mixed with ordinary rice. Therefore, an organic rice mill was needed. The villagers benefited from this income-generating activity since they could obtain a higher price for organic rice. TMSR did not take advantage of them in terms of price setting. Moreover, the organic farming provided better health for villagers.

Unlike western medicine, herbal products benefit the villagers in the sense that they they access the medicine at low cost. It can also help them to be more

self-reliance in health care. The urban consumers were satisfied as well since they could enjoy a healthier life by consuming pesticide-free products, i.e. brown rice, vegetables, and herbal medicine.

The herbal promotion paved the way for the growth of the herbal products industry and the practice of Thai traditional medicine. It has also created new job opportunities for Thai people to learn Thai massage and to work as massage therapists for the country's economy.

4.3.5.2 Degree of External Dependence on Pressuring Constituents

The most pressuring constituent for THAIHOF, like other NGOs, is the donors. THAIHOF used to partially depend on international donors; however, they moved their activities to less developed countries. As a result, THAIHOF had to adopt earned income opportunities to generate more income and to be less independent on the donors. According to Rosana, THAIHOF was warned by the international donors by the late 1990s that they would lessen the funds donations in Thailand due to the economic development. During Chatchai's Government, Thailand's economy had developed to be a newly-development country; Thailand was called the fifth tiger of Asia.

The second pressuring constituent was the foundation's clients, the villagers. They pave the way for the adoption of the earned income opportunities of THAIHOF. While the foundation promoted pesticide-free rice farming, the villagers needed to be independent from the traditional rice mill owners, who could set the price of milling and the rice purchasing price. Moreover, they needed a middleman to distribute their pesticide-free products. THAIHOF perceived that it could help the villagers to perform the middleman task, and at the same time, this task was still aligned with the goal of the foundation to promote food safety production and to build a healthy society.

4.3.5.3 Degree of Interconnectedness

THAIHOF has a high degree of interconnectedness. It has a strong relationship with its supporting and promoting organization foundation. THAIHOF was originally patronized by the Komol Keamtong Foundation which provided the funds to operate the TMSR project. The land for the Holistic Health Center belonged to the Foundation for Children. THAIHOF is also closely related to the Ministry of Public Health in promoting traditional medicine. Apart from the Foundation for the

Promotion of Thai Traditional Medicine, established in 1982 by Professor Dr. Ouay Ketusingh, THAIHOF was one of the first NGOs that played an important role in the revival of Thai traditional medicine, aligning with the MOPH's policy. The relationship supports THAIHOF in adopting the earned income activities to generate income for the foundation and to be self-reliant.

4.3.5.4 Financial Constraints

Like other NGOs, THAIHOF was initially funded by international organizations, but around the end of the 1980s these agencies moved out of Thailand to the more underdeveloped countries, for instance, Cambodia, Laos, etc. The agencies estimated that the funding for NGOs in Thailand would be cut by 60-70 percent. THAIHOF began to seek an alternative in domestic funds. However, like other environmental organizations, THAIHOF found it difficult to fundraise locally because Thais tend to donate to religious and child-related foundations, rather than environmental initiatives. Meanwhile, the Kudchum villagers had produced the pesticide-free brown rice and established the rice mill. Therefore, THAIHOF sought to be self-reliant by opening an outlet for the rice and other herbal products.

4.3.6 Organizational Context

4.3.6.1 Entrepreneurial Orientation

1) Innovativeness

As a young activist, Rosana intended to work for social change in a different path from those traditional activists that create social change through political activities. She worked through the traditional medicine as her weapon for social change. THAIHOF's creative means to solve health problem is to revitalize the use of Thai traditional medicine. After being abandoned and devalued for more than five to six decades, THAIHOF not only popularized the use of herbal medicine as a primary health care in rural areas, but also in urban society. In the rural areas, THAIHOF encourages the villagers to plant herbs in order to be self-reliant and to be less dependent on western medicine, which costs them much more money and is difficult to access. The traditional medicines that THAIHOF promotes to be the primary medicine to be used by the general public and that were accepted and registered with the MOH were Fah Talai Jone (Kariyat), Ka Min Chun (Turmeric), Wan Hang Jorake (Aloe Vera), and Ya Nued Maew (Java Tea or Cat's Whiskers).

THAIHOF also changed the method of promoting herbal medicine in order to motivate villagers to participate more in herbal planting by introducing economic-intensive activities to the villagers. By employing the villagers to produce the herbal raw materials instead of encouraging them to plant herbs for their own consumption, THAIHOF was successful in that the villagers were very satisfied with the economic intensity, not only with the savings in their medical bills.

Moreover, THAIHOF introduced fair trade to the villagers. The rice mill pays farmers on average 167 baht more per ton of rice than the going market rate, and considerably more than was paid by the other millers. Moreover, farmers can obtain 10,000 baht per ton for organic rice, compared to 5,000 baht for the market price for ordinary rice. THAIHOF also employs fair trade with the herbal materials as well. The foundation pays a higher price than the market rate; for instance, dried Fa Talai Jone would cost 20 baht per kilogram in the market but THAIHOF pays 50 baht to the farmers so as to benefit the farmers to cover their costs of production with a premium to invest in improving their agricultural practices or other needs.

2) Proactiveness

THAIHOF was not only one of the first organizations to promote the traditional medicines; it was the first to introduce and promote pesticide-free farming to the villagers. While the main-stream farming relied on chemical and pesticides, THAIHOF, influenced by Japanese Guru, Masanobu Fukuoka, encouraged as new method of farming; the pesticide-free farming approaches. The pesticide-free farming can solve agricultural challenges by using natural ingredients and a balanced approach to cultivation and land management. From the farmer's perspective there are considerable benefits in moving to pesticide-free practices. The pesticide-free farms are more profitable than traditional farms due to the cost savings of not using pesticides and synthetic fertilizers, as well as the higher prices received for their products. With fewer chemicals to be found in pesticide-free foods, consumers enjoy a healthier lifestyle.

3) Risk Taking

THAIHOF has not shown much evidence of risk-taking. However, when the villagers began to run their own community rice mills and Rosana's foundation found ways to help them with this by establishing the Love Nature Association to run the mill, and distributing their chemical-free rice produce,

this was considered a risk-taking move because the community mill was financed in part by village members and by TMSR. There was no guarantee that the rice mill would be successful the villagers as well as TSMR could lose their initial funds in investing in the rice mill. At that time, there was no market for organic or pesticide-free foods. Consumers were not aware of the healthy foods and did not pay any attention to the products. THAIHOF also had to promote the awareness of healthy foods. The rice mill was the first in the country to produce brown rice. It initially sold through the Friends of Nature but now it is available throughout Bangkok.

4.3.6.2 Top Management Commitment

THAIHOF has full commitment from the top management, especially Rosana, who is the founder and manager of THAIHOF. However, after running for senator, she had to hand the foundation down to Weerapong Kriengsinyos, the present manager and secretary of the foundation board, who devotes his full time to the foundation. From the beginning to the present, Rosana has collected and learned about herbal medicines herself. She disseminated the information and knowledge about traditional medicine through photocopies.

When that the time came for THAIHOF to make a move forward to support the new project, Rosana conducted a self-assessment and decided to create a link between the village producer and the health awareness of urban consumers and established the Friends of Nature as an outlet for the herbal and other pesticide-free produce. She also allocated seed money of 80,000 baht to support the start up of the FON shop. Moreover, to create the rice mill, she requested help from her NGO network and had the villagers trained in accounting and marketing skills.

4.3.6.3 Human Resource Readiness

Similar to the PDA, THAIHOF employs the method of on-the-job training and learning by doing to deal with the earned income activities. In the beginning, THAIHOF promoted the traditional medicine by using various kinds of media to reach the villagers and the general public. THAIHOF wanted to make them realize the importance of the self-reliant use of medicine. The original method was just a simple way of photocopying leaflets. However, the information has grown from four to 16 pages, and THAIHOF switched to a magazine format and finally to publishing small booklets. Knowledge about the medicine was already embedded in

the villagers themselves. THAIHOF brought confidence to the villagers in the use of their own knowledge to address health problems. Afterwards, THAIHOF found that the products themselves were the best media to promote the traditional medicine. THAIHOF improved the packaging of the herbal medicine in a way that was more like western medicine packaging. This made the customers perceive them as more reliable and safe compared to the previous packaging. This was compatible with the marketing strategies in the modern world; however, the THAIHOF staff found out through the learning-by-doing method.

Moreover, Suphot as a graduate in pharmacy, could combine the modern medicine producing method with the traditional medicine in order to make the medicine more safer, cleaner, and easier to consume and can be stored in a longer period of time. THAIHOF also had a graduate in agriculture from Kasetsart University to assist with the THAIHOF's agricultural projects. His expertise was in soil management. THAIHOF could operate their projects both with the volunteered experts and their connection among NGOs, which could lend their skills to other NGOs where there were needed.

4.3.6.4 Organization Size

The THAIHOF foundation is small since there are only ten board members, and ten permanent staff. Most of them perform administrative and marketing tasks, for instance, the book selling. The Holistic Health Center and the Thai Health Shop have its own staff of around five to ten, including, managers, clerks, sellers, and other staff. The small number of staff is consistent with the number and scale of the earned income activities. The scale and number of the activities is also considered small compared to those of the PDA.

4.3.6.5 Leadership

Rosana inspires her coworkers, like other transformational leaders by being a role model. She was an example of a thinker and practitioner. Rosana had strong determination and a strong will to introduce a new method of agriculture, a pesticide-free type of farming to the villagers and revitalized the Thai traditional medicine as alternative remedies. Such activities could not have been successful, if it were not for her because it was not an easy task. It included a change in the values and behaviors of both producers and customers when there were only a few knew

little about organic farming or organic products. She built trust among the villagers to give her the traditional wisdom and led them in the road of herbal medicine and alternative medicine as a means to be healthy. Her co-workers also respected her for her creativity and give credit for all of the success of the organization to her.

4.3.7 Relationships Among Factors

For THAIHOF there are two related factors: the degree of interconnectedness and financial constraints. THAIHOF has a strong and close relationship with other NGOs, and THAIHOF has worked closely and is supported by the Foundation for Children in several ways. The Foundation for Children used to make future contracts to purchase rice from the villagers when they began to produce pesticide-free rice. The Foundation for Children also lent THAIHOF the land in Phuttamonhol to establish the health clinic. This has reduced the cost of capital and risk of overinvestment for THAIHOF in adopting business activities and has enables THAIHOF to operate its business with a low budget.

Moreover, even though THAIHOF is no longer funded by an international agency, THAIHOF has never lacked of financial support. From the beginning, THAIHOF has worked closely with and was funded by MOH to promote traditional medicine. Rosana became one of key players in traditional health system in Thailand. After the international agency and MOH no longer provided funds for THAIHOF, it received most of its funding from Thai Health Promotion Foundation (ThaiHealth). The Foundation, an autonomous state agency, was established under the Health Promotion Foundation Act 2001 to promote good health for Thais by facilitating and financing health promotion opportunities. ThaiHealth provides grants to support projects of both governmental and non-governmental organizations that promote good health. Most THAIHOF projects are funded by ThaiHealth because ThaiHealth requires working with the organizations with outstanding performance and those that are likely to continue to work with ThaiHealth. THAIHOF's mission in health promotion is aligned with ThaiHealth's mission. The Foundation for Children is also a partner of ThaiHealth.

Due to the small size of the organization, THAIHOF does not require a large amount of money to pay for its staff; therefore, it can continue its mission with a low

budget. The financial constraint also affects the size of THAIHOF. The financial constraint limited the size of THAIHOF and the scale of its business activities. THAIHOF does not want to extend their business activities into a large scale because they only want to generate revenue to cover the pay.

4.4 The Proposed Integrated Framework

4.4.1 Summary of PDA Findings

The PDA is a social enterprise with triple bottom lines: social, economic and environmental purposes. The PDA pursues its social mission in community development and family planning. In addition, it attempts to pursue the environmental mission by planting trees. Moreover, the PDA seeks to be more financially sustainable by adopting business activities to earn income and to be less dependent on grants from the government or contributions from individuals. As Alter (2006: 205) states, the “social enterprise is driven by two strong forces.” The first is the social change desires that benefit from innovative or entrepreneurial solutions. The second is the sustainable desires that lead to the diversification of funding and the creation of earned income opportunities.

The PDA employs both the integrated social enterprise model and the external social enterprise model to accomplish its social, environmental, and economic goals. The integrated social enterprise model is where commercial activities are integrated with the organization’s operations. The external social enterprise model is where commercial activities are not relevant to the organization’s operations. The PDA established the PDC as a funding mechanism to support its operations. By providing products and services related to health and family planning, for instance, medical supplies, the PDA implements the service subsidization model as a social enterprise. Moreover, the PDA has also created an external social enterprise model called the organizational support model. According to Alter (2006), the organizational support model is a social enterprise model that incorporates any types of business activities and sells the products or service to external markets. The Cabbages and Condoms restaurants are considered to be not related to the organization’s social mission, even though they have the social attributes. Moreover, the operational support model is

established to generate revenue to cover the operating expenses of the parent organizations, as the Cabbages and Condoms does.

In order to create business activities, there are several factors that affect the PDA's adoption of earned income opportunities. The first factor is motivational factors, including perceived social legitimacy, the degree of external dependence on pressuring constituents, the degree of interconnectedness, and financial constraints. For the PDA, financial constraint is one of the most important driving factors to adopt earned income opportunities. The funding organizations warned the PDA at the beginning of the first project, and decreased the supporting fund each year until the end of the project. This made the PDA realize the uncertainty of the financial sources from the beginning of its mission. The financial sustainability has been among the most important drives of nonprofits to become social enterprises. As Dart (2004), and Sullivan-Mort et al. (2003) emphasize, social enterprises have emerged as a strategic response of nonprofits to many challenges, e.g. diminishing support from government funds.

The financial constraint is not the only crucial factor affecting the adoption of earned income activities, but also organizational factors, including entrepreneurial orientation, top management commitment, organizational size, and leadership. The Leadership and entrepreneurial orientation play important roles in the adoption of earned income opportunities. Mechai, as a transformational leader, behaves as a role model. His subordinates admire and give praise to him. They are willing to follow his initiatives and believe that he will lead the organization to a higher level of performance. Moreover, his innovative entrepreneurial orientation has contributed to the success of the organization as a nonprofit transformed to social enterprise. As Kong (2010) suggests, the ability of nonprofit organizations to achieve their objectives depends on knowledge, innovation, experience and skills. Alvord et al. (2004) emphasize that innovativeness defines the concept of social entrepreneurship. Mair and Marti (2004) explain social entrepreneurship as an innovation contributing to social change with the creativeness and innovative orientation typical of the business entrepreneurial process. Mechai always does things in different ways. For instance, in promoting condom use in rural areas, he used a breakthrough and innovative means that enabled villagers and society as a whole to accept that condom

use was an appropriate and easy way to practice family planning, including other means such as contraceptives.

The last factor that strongly affects the adoption of earned income opportunities is the organizational size. Several scholars have stated the importance of this. Adams and Perlmutter (1991), for example, found that the size of an organization is a crucial variable associated with successful commercial venturing. They explain that small agencies lack the capacity and resources in leadership, and long-range planning and experienced staff, to achieve success in venturing. The PDA, with the accumulation of over 900 staff members, has the capacity, experience, and skills needed to respond to the pressuring constituents.

Moreover, there are other related factors, top management commitment and financial constraint, that contribute to the adoption of earned income opportunities.

4.4.2 Summary of Findings on the Suan Kaew Foundation

The Suan Kaew Foundation is a religious nonprofit organization that aims at triple bottom lines. The foundation concerns not only a social mission, spreading the Buddha's teaching and providing welfare to the underprivileged, but also an environment mission. Even though the foundation's objectives are stated clearly the foundation has continued its environmental goals for several years. The agricultural project is environmental friendly, as it promotes the use of organic pesticides and fertilizers, and protects plant biodiversity. The most important project, the Bridge of Merit, helps to preserve the environment by encouraging reuse and recycling. The project is not only for environmental purposes but also for the economic purposes. It generates a vast amount of revenues for the foundation.

The Suan Kaew Foundation employs both the embedded and integrated social enterprise model of Alter. The embedded social enterprise model is when business activities and social programs are synonymous. The commercial activities and social programs both benefit the organization to achieve financial and social benefits. The employment model, which comprises social enterprises that provide employment opportunities and job training to their target clients, the unemployed, and the disabled, is another model that the foundation employed. Rom Poh Kaew falls into this category since it provides various types of training to the unemployed, for instance,

carpentry, masonry, welding, sewing, making food or consumer products from herbs, and traditional massage. Nevertheless, the Suan Kaew Foundation also combines a mixed model of employment model with service subsidization model in the Bridge of Merit and Supermarket for the Poor projects. The service subsidization model sells products to the external market and use the income to fund social programs. It is an integrated model in which business activities and social programs are overlapped. The foundation trains the unemployed to sort the discards, to refurbish, and to transform them into various kinds of products to sell to the poor and the external market.

The factors that affect the adoption of the earned income opportunities of the Suan Kaew Foundation at a high level are leadership and entrepreneurial orientations. As Bass (1985) highlights, charisma and inspirational leadership are the key characteristics of transformational leadership. Pra Payom displays his transformational leadership style in terms of inspirational leadership. His subordinates and his followers describe him as having the ability to inspire loyalty and command respect. It is not because of his status as a priest, which requires respect from people but because they respect him for his kindness and his ability to overcome problems.

They feel that Pra Payom is a symbol of success accompanied by a higher level of pride in their association with him. Whenever there is a problem, Pra Payom is not reluctant to solve it. He started the Supermarket for the Poor as a means to solve a problem of too many donations, which that he could not give away directly to the poor. Therefore, he sells them not only to the poor but to external customers, and it has become successful. All constituents have mutual benefits. The individual donors can have their house clean and tidy and the Suan Kaew Foundation provides them with the transportation to collect them from their house, and at the same time they feel that they have their merit for their good deed since they realize that the profit will be for the poor. The foundation uses the garbage donations as a source of work for the underprivileged. The recycling process requires a number of workers, for instance, in collecting, sorting, and refurbishing. The poor customers can buy cheaper products and this helps them to reduce their living costs. The general customers, for instance, the collectors, are happy as it is a place to expand for their collection. The donors are also related to the financial constraint. The foundation depends on these pressuring

constituents both from the discarded materials for the Bridge of Merit Project and from other types of donations, for instance, land and money.

Pra Payom's entrepreneurial orientation is high, especially in terms of innovativeness and proactiveness. Both innovativeness and proactiveness are the key characteristics of social entrepreneurs (Sullivan-Mort, Werawardena, and Carnegie, 2003). Innovativeness and proactiveness lead to the organization's financial sustainability, as the foundation adopts earned income opportunities. Pra Pyaom always is the first mover in several aspects. He was one of the first preachers that brought the Dhamma to society in a more easy-to-understand way, drawing the attention of the young and using religion as a means to develop communities. He created a new style of preaching to be more fun, with easy language, and close to people. He was one of the first to collect the discarded materials from households or offices, and showed how those materials can be more valuable to others. Unlike the typical recycling businesses that usually buy recyclable objects, sort them and sell them to the recycling factories, Pra Payom adds value to those unused items and makes them usable. The refurbished computer and electric appliance project are examples.

4.4.3 Summary of the THAIHOF Findings

THAIHOF is a nonprofit organization which aims to promote herbal medicine production, production of food safety, and health consumer protection and sustainable agriculture. It has a social mission to elevate the health of the society with alternative means. However, it pursues the economic goal to be financially sustainable by adopting earned income opportunities. THAIHOF employs the market intermediary model of Alter (2006) to create its commercial activities. The market intermediary model of social enterprises provides product development, market access, and credits service to clients. Social enterprises embed the business with social programs by helping clients to develop and sell products to the external market. Social enterprises purchase the products of their clients at fair prices and sell them for a profit and to be self-financing. THAIHOF purchased herbals from villagers at fair prices and sold them to a high-value market. It also helped to finance the villagers' rice mills when it first started.

Even though THAIHOF acknowledges the vulnerability of grants from the government and international donors, the foundation has been slightly affected by the decreasing funds from the government and has received grants from the government until present. Therefore, the financial constraint is not the crucial factor affecting the adoption of earned income opportunities. Social legitimacy plays more important role for THAIHOF for the adoption of earned income opportunities. Pragmatic legitimacy involves direct exchanges between an organization and its constituencies. Organizational behavior must affect the well-being of constituencies, and this comes from those that directly and indirectly benefit from the organization's activities. In the case of THAIHOF, the foundation's clients, the villagers directly benefited from the commercial activities. THAIHOF acts as their market intermediary to sell their products, for instance, herbs and brown rice. First, the villagers benefit from better health since they no longer use the chemical fertilizers and pesticides which gave them cancers; and they can be more self-reliant in terms of health care, especially with the minor symptoms. Instead of the expensive western medicine, they can access the local or traditional medicines which are less expensive.

In terms of moral legitimacy, THAIHOF perceived that its business activities were the right thing to do. In order to encourage the villagers to plant herbs, economic incentive plays a crucial role. They could not continue planting them unless they gained a financial benefit. It was the obligation of THAIHOF to be an intermediary between the producers and customers. Moreover, THAIHOF purchases them at fair prices, a higher price than the market price of herbs at that time. Afterward THAIHOF had to establish the herbal factory to produce herbal medicine as well because the villagers no longer desired to produce the medicines themselves.

4.4.4 Proposed Integrated Framework

Based on the findings from the three case studies and answers from the participants during the interviews, the researcher proposes the following framework to explain how nonprofit organizations adopt earned income opportunities. Figure 4.1 shows the integrated framework of the study.

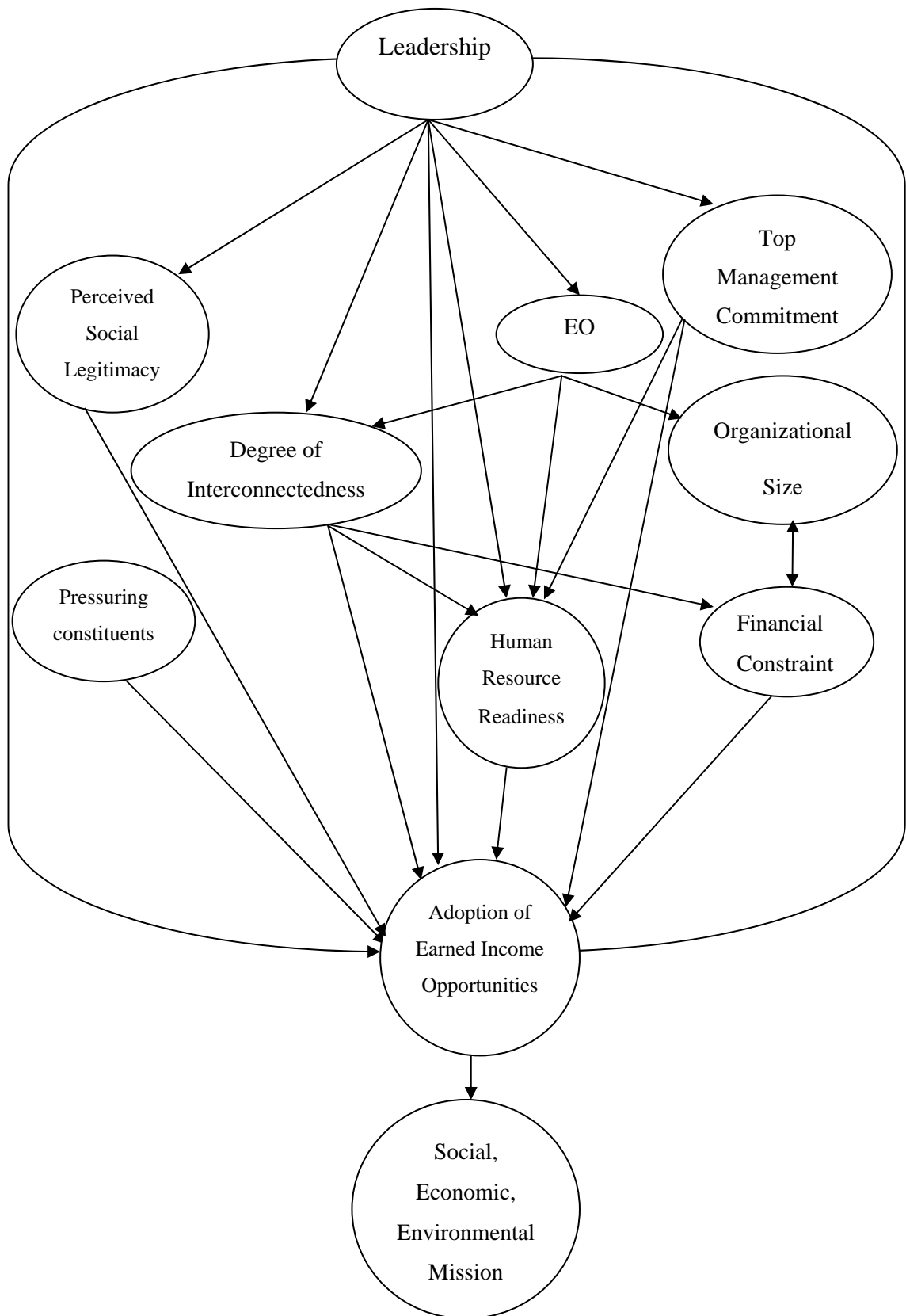


Figure 4.1 Proposed Integrated Framework

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

This chapter presents the results, conclusions, and recommendations of the study. This chapter is broken into two main sections. The first section summarizes the results, supporting literature, methods, and conclusions of the study. The second section of this chapter presents the recommendations for implication and makes suggestions for future research.

5.1 Discussion of Results

The following discussion explains the results of the findings by providing clarification through a discussion of the relationships among the factors.

Leadership affects the adoption of earned income activities and is considered to be the most important factors. Leadership is a necessity for nonprofits to adopt earned income opportunities, providing a focal point for the aspirations of people in organization to change. PDA, Suan Kaew Foundation, and THAIHOF leaders have shown strong behaviors in transformational leadership which affects the changes in an organization toward business-oriented activities. They apply charisma and give inspiration to their followers and lead them to accept business activities in the organizations. Moreover, they provide a sense of trust, pride, and respect among followers and clearly and coherently communicated purposes, aims, and intentions to their staff. Their subordinates understand that in order to generate their own income is not a sin and it helps organization to reach its goals and helps society.

The personal devotion to the cause by the leader exemplifies the followers and creates strong interconnectedness among implementers. Strong leader successfully promotes its own activities among general population, government, non-government and international organizations, establishes and develops cooperation with them. This

outer interconnectedness brings in more funding in the form of donation, implementation of new projects and broadens their areas of activity.

Leadership is high in nonprofit organizations due to their specific nature. The leaders of these organizations happen to be the founders and the main idea generators in most cases. They determine the mission and vision of their respective organizations, glue all the activities, and inspire all those involved in the implementation of their plan and when they see that in the dynamically-changing global and local environment earned income opportunities are vital for providing sustainable operation of the activities, they go for it with their full commitment. Leaders of the nonprofits not only make the final decision to adopt new methods of financing, but also influence all other key factors like perceived social legitimacy, degree of interconnectedness, entrepreneurial orientation, top management commitment, organizational size, and human resource readiness that conduced to accept the earned income opportunities.

Leadership also affects other factors in the adoption of earned income opportunities. Leaders affect the perceived social legitimacy factor. The image of leaders represents the organization's activities and the appropriate appearance of the leaders can garner support from stakeholders-staff, board, funders, and the community. In moving toward commercialization of the nonprofits, the leaders of the three organizations have shown that they can maintain the public's trust. The business-oriented aspect of the nonprofits could cause them a loss in their social mission, purpose, and the core value of the nonprofits and gradually the organizations' relationship with communities may be at risk. According to Frumkin and Andre-Clark (2000: 160), nonprofits are faced with the challenged of fulfilling the mission valued by stakeholders. However, the stakeholders still give strong support to the three foundations because they perceive that the charitable goals remain the driving forces of these organizations, as shown through the organizational activities via media and other communication channels. The adoption of earned income activities not only has a positive impact on their finances and the stability of their organizations, but on their social mission as well.

Leadership is also related to the degree of interconnectedness. Leaders have the ability to build relationships between the organization and others. The three of the

leaders has utilizes their interpersonal network to the adoption of earned income opportunities. The organizational ties of the three nonprofits and the supporting organizations or other nonprofits increase the organization's capacity to adopt the earned income opportunities. For instance, the relationship helps them with the human resource skills needed for their business activities.

Leadership and entrepreneurial orientation are also related. Proactiveness is closely related with the skill of transformational leaders, as shown through inspirational motivation characteristics. Proactiveness requires vision and imagination to find new opportunities, and innovativeness requires strong leaders to find new products or solutions under organizational constraints. Some scholars, for example, Gupta et al., 2004, term the relationship between leadership and the entrepreneurial orientation as the entrepreneurial leader. Entrepreneurial leadership is "leadership that creates visionary scenarios that are used to assemble and mobilize a 'supporting cast' of participants who become committed by the vision to the discovery and exploitation of strategic value creation" (p. 241). This role necessitates the adoption of earned income opportunities to organizational adaptability, and long-term potential, particularly in changing environments. Entrepreneurial leadership enables nonprofits to move toward commercialization while considering the financial limitations.

Leadership also affects top management commitment. The adoption of earned income opportunities requires a serious commitment on the part of the top management, and leaders can harness the willingness of top management to invest their time and effort in the adoption of the earned income opportunities.

The study found that social legitimacy is related to the adoption of earned income opportunities. This finding is consistent with theoretical arguments according to which organizations are motivated to conform to institutional pressures in order to establish their legitimacy (DiMaggio and Powell, 1983: 147-160). Moreover, the finding conforms to Suchman (1995: 575) argument, that external institutions determine how the organization is built, and how it runs and is evaluated. The organization should obtain support from its constituents. The three cases have shown that their income-generating activities affect the well-being of both constituencies, which directly and indirectly benefit. The finding has shown that the simplest level of legitimacy, pragmatic legitimacy, is contingent on organizational activities that produce outcomes

of value for stakeholders. For example, PDA's activities effectively promoted the economic development of the villagers since the villagers understood that more children brought more financial burden to them. Therefore, selling condoms and oral contraceptives affected their well-being directly. The Bridge of Merit of the Suan Kaew Foundation could create numerous jobs for the poor and the underprivileged. The foundation made it possible for these underprivileged people not just to get assistance from others, but to learn to help themselves with integrity. There is a well-known proverb that it is better to teach people to fish than to give fish. In this way the society also benefits in many ways. For example, garbage removal is a big problem not only in developed but also developing countries, and the quantity and quality of staff dealing with waste management is not high as the payment and social esteem for this kind of job are low. Sometimes, government authority finds it very difficult to hire people to work in the waste sector. The Bridge of Merit Project not only helped to reduce waste but also made the government's responsibility less burdensome.

The study found that financial constraints are strongly related to the adoption of earned income opportunities. This is consistent with the resource dependency theory, which states that certain resources, i.e. financial resources, are crucial to the organization's survival. Nonprofit organizations seek to control the resources themselves or to secure the control over them. Therefore, they will pursue activities that secure additional resources, and earned income opportunities are one of the alternative means of financial acquisitions. Government or donors' cutbacks in funding could cause nonprofits to go to commercial activities. In the case of the PDA, the limited funds from the IFFP based on yearly evaluations, which caused cutbacks of the funding each year, forced them to realize the uncertainty of external resources. Therefore, the PDA started to seek for more resources.

The finding has also showed that moral legitimacy was important for justifying earned income in NGOs. Public support is higher when they see that the organization's activities are the right thing to do. The PDA's projects helped to alleviate poverty through its activities directly and indirectly. The BREAD project helped the villagers to sell their products. However, there was no evidence that there is a cognitive legitimacy related to the adoption of earned income opportunities. As Nicholls and Cho (2006: 114) explain, the society has fully accepted the landscape of

the public, private and social sectors in the presence of the social enterprise. It can be generated in the engagement of public in informed discussion of social values, issues, etc. At present, there is little evidence of public discussion about the social enterprise, whether it works outside the normative norm of organizational structures or conforms to the norm of the societal framework.

The study found that the pressuring constituents are related to the adoption of earned income opportunities. This finding is consistent with Oliver's statement (1991) that organizations that are not dependent on their constituents will have to adopt to less common certain practices of the field. The three cases have demonstrated an attempt to be less dependent on donors for various reasons by adopting new practices that are not common to the field of nonprofit organizations that generated income. For example, the loss of international donors like the World Health Organization and UNICEF, when they moved out of Thailand, forced them to look for additional activities that would generate income to support their other activities. During the financial crisis in Thailand, when local donors were struggling to meet their own ends and greatly reduced their support of NGOs, these nonprofit organizations was broadening their projects to be more income-generating. In the case of THAHOF, the villagers that understood the importance of the use of farming method clean from pesticides, demanded the foundation to support them in the production of pesticide-free herbs. The pressure from important constituents forced THAHOF to initiate another project in a new area.

The study found that the degree of interconnectedness is related to the adoption of earned income opportunities, human resource readiness, and financial constraints. Oliver (1991) suggests that "organizations that do not interact with other organizations in their environment are less likely to adopt the practice." The network may be a source of information and new ideas. The three cases have shown a strong relationship of these organizations with donors, government agencies, beneficiaries, and others, and this has helped them to initiate numerous income earning projects.

For example, the PDA obtained its initial idea of the first project from the network with the PAT and IPPF. The income-generating projects, the PDCs and the first clinic were set up through the connection with the IPPF, whose officers had introduced the founder of the foundation, Mechai, with the IPAS. The Suan Kaew Foudation's ties with other organizations, for instance, the Skill Development

Department, have supported the foundation's skill development activities for the poor and have made it easy for the Bridge of Merit project, which required special training for developing the furniture fixing skills.

Moreover, Young (1998) has suggested that commercial activities may contribute to the organization's mission by constituting mission-related services. All of the three cases have shown that their commercial activities were related to their missions. The Suan Kaew Foundation's mission was to spread Buddhist's teaching along with helping the underprivileged. All of the projects, for instance, the Bridge of Merit Project and the Supermarket for the Poor, contributed to its main purpose of promoting Buddhist practices along with alleviating poverty in the community. The donors could make merit from donating their discarded or even surplus items.

The study found that top management commitment is related to the adoption of earned income opportunities and to human resource readiness. Several researchers have found that the commitment of top management is crucial to the success of any effort aimed at changing the operation of the organization. Without the support of management, the organization's operation is unlikely to change. It has been argued that change will be more successful if upper management is committed to the change. The critical role of top managers in shaping the success of changes in organizations is also often noted. Top management plays a decisive role in critical areas, for example, innovation. This finding is consistent with theory. The three cases that the researcher explored have shown that top management commitment plays an important role in the adoption of earned income opportunities, in terms of resource allocation, devoted time, or decision making to support the project. In the case of the PDA, Mechai played a crucial role in the decision making of each project from the start until they finished the project.

Pra Payom contributed his time to overseeing the projects. Whenever there was a problem he helped the staff to solve it. For example, when there was a problem of scheduling the transportation vehicle, he rescheduled it himself and allocated more funds to support transportation. This kind of personal commitment of the leaders greatly satisfied donors and enabled the foundation to continue receiving more donations. The project could successfully continue after the problem had been solved.

Top management commitment related to human resource readiness also affects the adoption of earned income opportunities. Human resource readiness involves top management decisions and practices that directly affects or influence the people that work for the organization. Top management commitment supports the training to develop people that are capable of performing earned income relevant tasks.

The study found that human resource readiness is related to the adoption of earned income opportunities. In addition to the top management commitment, human resource readiness is considered to be an important element of adopting new activities. Skills, experiences, and capabilities enhance the adoption of innovation. Fowler (2000) has stated that intellectual capital is capable of facilitating innovation in social enterprises and intellectual resources including knowledge, skills and experience. This is particularly important for social enterprises as the success of the organizations lies with their ability to facilitate innovative approaches to achieving social missions. The Suan Kaew Foundation could use its members' skills to support earned income activities. The Bridge of Merit initially did not require special skills from the project staff to complete tasks; however, along the way the special skills to fix furniture and assemble computers were required and some people were trained to perform these tasks.

The Bridge of Merit is considered to be an innovative approach for the foundation in terms of achieving its social mission for many reasons. First, other nonprofits have never adopted this type of project as a commercial activity to generate income. Second, it is related to the foundation's mission and also supports other projects.

Human resources readiness was also very critical in the successful implementation of THAIHOF projects. THAIHOF did not have many people in the main office or in the Holistic Health Center and Thai Health shops. In order to successfully organize all the different types of projects, the staff engaged in job training and improved their skills.

The study found that entrepreneurial orientation is related to the adoption of earned income opportunities. Though, social entrepreneurs are different from commercial entrepreneurs, the entrepreneurial orientation is still the main characteristic of both

commercial and social entrepreneurs. However, social entrepreneurs link the instrumental means of entrepreneurship to their social objectives. Three crucial characteristics of entrepreneurship are innovativeness, proactiveness, and risk taking (Miller, 1983). Sullivan-Mort, Werawardena, and Carnegie, (2003: 76) also stated that the key decision-making characteristics of social entrepreneurship are innovativeness, proactiveness, and risk taking.

Innovativeness: the finding is consistent with theory. In all three cases, the leaders were willing to try new methods which were different from the existing ones. They enthusiastically adopted and supported new ideas. For example, the PDA established a restaurant as a response to environmental changes and yet pursued its goal to promote rural development. Later, the restaurant's activity was extended into a new business, the Birds and Bees resort.

Proactiveness: the case studies have shown evidence of proactiveness as leaders were active in developing new processes, they seized and acted upon new opportunities. The Thai Holistic Health foundation was one of the first movers to introduce pesticide-free rice and the traditional medicine to the public. The PDA was the first to promote condom uses to the society and in the distribution of oral contraceptives by non-medical staffs. It was also one of the first to introduce the concept of social entrepreneurship to nonprofit organizations since it employed a business model for social purposes.

These three characteristics allowed social enterprises to become more efficient in providing and delivering social services to their clients. It supports the adoption of earned income opportunities in nonprofit organizations and improves the chance of the organization to be sustainable in the long run.

Organization size is related to the adoption of earned income activities. The PDA, the largest of all three foundations in terms of the numbers of staff, has tended to adopt more earned income activities in comparison with other two other organizations. The scope of the activities is wider, the amount of revenue is larger, and the number of projects is also higher with the PDA. The numbers of the earned income activities of the PDA are still growing, and the PDA has extended its clinic branches into four more branches. Cabbages and Condoms has been extended to a total of five branches and two of them have incorporated the other business, the Birds

and Bees Resort, to their restaurant business in Pattaya and Nakhon Ratchasima. THAIHOF, on the other hand, is the smallest one. There are about 15-20 permanent staff members, and its earned income activities are also smaller in terms of size, scope and revenue.

The researcher's findings are consistent with theory. Goodstein (1994) posits that regardless how the size of the organizations is measured, in terms of revenue, full time employee, etc., organizational size is always positively associated with the organization's response to external pressures. Kimberly and Evannisko (1981) explain that the large organizations are more apt to respond because they possess the financial, human, and technological resources necessary to do so. For the PDA, it has the strong indicator of human resource readiness in terms of the size of the staff and their skills and experience, which support the operation of the earned income activities. Moreover, Adams and Perlmutter (1991) have emphasized that the size of the organization is a crucial variable related to the successful commercial venturing of nonprofit organization. Large organizations are more likely to succeed and at the same time stay close to the service mission. Both the PDA and the Saun Kaew Foundation are large organizations that not only succeeded in adopting earned income opportunities but also kept their activities in alignment with their social mission. Even though THAIHOF is small in its number of staff members, they are flexible in accomplishing the tasks of both their social and economic mission. The findings also find that organizational size is also related to the financial constraints. The larger the organization, the more financial resources the organization needs, for example, to pay for the staff salary. THAIHOF intends to keep its staff at a small number; therefore, they do not require a large amount of money. On the other hand, the PDA and the Saun Kaew Foundation with a larger size in terms of staff, need more financial resources; hence, they tend to adopt more earned income opportunities.

The result of the study shows that various factors influence how nonprofit organizations adopt their earned income opportunities. The analysis of the interview transcripts, and the observations and document, have shown that leadership, financial constraints, perceived social legitimacy, degree of external dependence on pressuring constituents, degree of interconnectedness, top management commitment, human resources readiness, entrepreneurial orientation, and organization size are associated with the nonprofit organization's adoption of earned income opportunities. These

factors and their relationship explain how nonprofit organizations turn themselves toward the social enterprise. The researcher finds that the leadership factor is the key of success for all nonprofit organizations due to their specific nature. The other factor that the researcher points out as critical is human resource readiness. This factor has only direct effect on the earned income opportunities. However, it serves as a transmitter for many other factors like leadership, top management commitment, entrepreneurial orientation and degree of interconnectedness. This makes human resource readiness a very strong agent to bring in changes in the funding system of nonprofits.

Nonprofit organizations adopt earned income opportunities as a vehicle to create a social enterprise that combines commercial and charitable goals. The social enterprise is their alternative to the organizational response to the changing environment in order to be sustainable and to survive. Earned income opportunities offer the opportunity for nonprofit organizations to establish independent supplies of resources, and these independent resource streams may be viewed as being particularly valuable to organizations that seek to be self-reliant and want to continue their goal to provide social services.

5.2 Recommendations for Social Entrepreneurs

Nonprofit organizations, similar to commercial organizations, face financial constraint. In order to respond to the changing environment they engage in commercial activities to seek for financial sustainability. Dart (2004) states that the social entrepreneur is defined as a strategic responses to many of the varieties of environmental dynamics and challenges that nonprofit organizations have faced. The result of this study suggests that nonprofits can pursue their goal of creating social value by transforming themselves into social enterprises. When they engage in commercial activities, they are viewed as social enterprises. However, not every nonprofit can adopt earned income opportunities. There are several factors, apart from financial constraints, that influence the adoption of earned income opportunities for nonprofit organizations. To adopt these opportunities, constituents support is necessary. Nonprofits rely on their credibility and reputation. Suchman (1995)

stated that the appropriate appearance lends a support from the stakeholders. Social legitimacy helps the organization to be perceived as more worthy and meaningful, and in this way, earned income opportunities should produce outcomes that are valuable to the stakeholders. Moreover, social enterprises need to be more transparent in order to receive more support from their constituents.

In order to adopt earned income opportunities, social entrepreneurs should possess the characteristics of business entrepreneurs, including innovativeness, proactiveness, and risk taking. These characteristics help them to diversify funding, gain profit, and do business for social purposes. Other factors that social entrepreneurs should take into consideration in order to adopt earned income activities are human resource readiness, top management commitment, organization size, and degree of interconnectedness. These affect the achievement of the adoption of earned income opportunities. The last but not least factor is leadership, which plays a crucial role in transforming the organizations into a more business-like one.

5.3 Recommendations for Future Research

This study developed a framework to explain how nonprofit organizations adopt their earned income activities in order to be self-sustainable. It also conducted a deep, but not wide, assessment of the motivations for adopting those activities within specific cases. To develop more forceful data, the study could have been conducted in larger regions and included more different types of nonprofit organizations, such as arts, education, culture and recreation, and development and housing organizations. Replication would yield similarities and differences with regard to the adoption and motivations for doing so, as well as yield more generalizable data than could be produced in this study.

A main concern of this study was to examine the motivations behind adopting the earned income opportunities of nonprofit organizations. A dual theoretical lens including institutional and resource dependence theories, along with the organizational context, was used to interpret the findings. In this study, the evidence supports both resource dependence and institutional theories, along with the organizational context as an explanation of why organizations adopt earned income opportunities, but future

research could be conducted to further explore responses to institutional and resource-dependence pressures. For example, what are the limits to institutional isomorphism for nonprofit organizations? When and why do nonprofits respond differently to these pressures? What other theoretical frameworks can explain the motivations for adopting or not adopting earned income opportunities?

Another aspect for future research is whether the organization considered the social enterprise to be successful. Successful performance can be defined, for instance, in terms of entrepreneurship as organizing. Sorensen and Chang (2006) defined entrepreneurship as organizing as “competently mustering the forces of production for the required tasks” (p. 7). Further study is needed to understand what the appropriate definitions of successful performance are for the social entrepreneurial model. Moreover, the investment in the development and transfer of successful social enterprise management models to other social enterprises is also needed.

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APPENDIX

APPENDIX A

INTERVIEW FORM

Doctor of Philosophy Program in Development Administration

School of Public Administration, NIDA

Dissertation topic: Social Entrepreneurship: An Integrated Framework of
Earned Income Opportunities by Nonprofit
Organizations in Thailand

Researcher: Pawanana Ankinun 4810131007

The Adoption of Earned income Opportunities

1. Please describe your organization's earned income activities (activities that generate revenues)

Perceived Social Legitimacy

2. Does earned income adoption enhance the organization's reputation, enhance the organizations' social services for the clients, enhance the relationship with the community, gain public recognition, and gain recognition from donors/funders? How? Why or why not?

Degree of External Dependence on Pressuring Constituents

3. Does the organization give a high degree of time and attention to the stakeholders: clients/customers, individual funders/donors, foundation and corporate funders/donors, civic and government funders/donors? How does this affect the adoption of earned income opportunities? Why or why not?

4. How do the stakeholders influence the adoption of earned income opportunities? Why or why not?

Degree of Interconnectedness

5. Does the organization share information in favor of earned income opportunities from networks or other organizations (e.g. how information is received

from the nonprofit network, supporter associations, the media, or from attending seminars in social entrepreneurship)? How? Why or why not?

Financial Constraints

6. Describe the source of your organization's funding.

7. Regarding certain financial resources, what do you consider to be the organization's financial status: revenue, current liquid financial resource, current fee/income-generating opportunities, current assets, expected individual contributions, expected corporate/foundation contributions, expected government?) Does this affect the adoption of earned income opportunities? How? Why or why not?

Top Management Commitment

8. Does your organization provide the required resources such as money, people, and training to explore/support earned income opportunities, or is it involved with decisions that affect earned income opportunities? How? Why or why not?

Human Resource Readiness

9. Does your organization possess human resource skills such as the skilled labor or managerial talent to support the adoption of earned income activities? How? Why or why not?

10. Does your organization possess existing or adequacy knowledge to support the adoption of earned income activities? How? Why or why not?

Entrepreneurial Orientation

11. Describe your organization's willingness to engage in and support new ideas.

12. Describe your organization's willingness to try new but promising approaches in spite of the absence of guarantees regarding the outcome.

13. Describe your organization's willingness to be the first mover, its willingness to do things ahead of everyone else, willingness to assess long-range outcomes in relation to current actions, and the willingness to plan ahead.

14. How does Entrepreneurial Orientation support the adoption of earned income activities? Why or why not?

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