EXPLORING PARTICIPATORY MANAGEMENT IN SOCIAL ENTERPRISE PRACTICE: EVIDENCE FROM CHILE

ABSTRACT

Although evidence shows that it is challenging to implement, many authors state that participatory management is a distinctive attribute of social enterprises. This paper presents case study research exploring how participatory management is manifest in Chile, a country where a paternalistic and autocratic management style prevails thereby constraining the adoption of participatory approaches. We found that a majority of the twenty social enterprises under analysis, despite having very different sizes, governance structure and activity sectors, exhibited shared decision-making processes. We show how these organizations put into practice participatory management in distinctive and diverse ways. We conclude that social enterprises in Chile differ from conventional enterprises not only in their focus on trying to solve social problems, but also in the fact that they may provide a vehicle to promote more innovative and participatory approaches to decision making within paternalistic and autocratic management context.

Keywords: Social enterprise; social economy, participatory management, decision making, Chile.

INTRODUCTION

Social enterprise is gaining attention globally (Gonçalves, Carrara & Schmittel, 2016; Okano, 2019). Entrepreneurs appear attracted towards social enterprise, because they see in these kinds of organizations the possibility to reconcile the issues of sustaining profitability and solving social problems (Achleitner et al., 2013; Nicolás Martínez, Rubio Bañón & Fernández Laviada, 2019; Witkamp et al. 2011). This phenomenon has generated a growing academic interest which has reflected in a prolific

research production (Dionisio, 2019; Doherty et al., 2014; Rey-Martí, Ribeiro-Soriano & Palacios-Marqués, 2016), and also in the appearance of various courses and programs devoted to the subject around the world (Defourny & Nyssens, 2010).

Many authors have noted that a prominent characteristic of these kinds of organizations is their tendency to have an unusually high level of participation in their decision making processes, when compared to typical for-profit companies (e.g.: Borzaga & Defourny, 2001; Ohana et al., 2012; Pestoff & Hulgard, 2016). Some authors have also reported that participatory management is challenging to implement and sustain overtime (e.g.: Austin *et al.,* 2006; Shangholi et al., 2010). In this vein, less attention has been focussed upon understanding how organisations address this situation in practice. Even less attention has been devoted to the study of social enterprises in contexts such as Chile which, as a Latin American country where a paternalistic management style prevails (Martinez, 2005; Rodriguez & Rios, 2009; Romero, 2004), may hinder the implementation of participatory management. This is in stark contrast to the more commonly studied European and North American realities, which in general exhibit more participatory management styles involving practices such as team based decision making and distributed leadership (Kerlin, 2006; Lindsay & Hems, 2004; Mancino & Thomas, 2005; Martin & Miller, 2003; Thomas, 2004), although it also has been observed that some American social enterprises tend to be more reluctant to those practices (Defourny & Nyssens, 2010; 2012; Kerlin, 2006).

This paper presents case study research aimed at exploring how participatory management is manifest and how it affects practices and decision-making processes in social enterprises within the context of Chile, a country where paternalistic and autocratic management style prevails. We propose that Chile is a relevant country in which to make such a study because, even though this country has reached a high level of development, it is still a country facing significant social challenges (Peppelenbos, 2005; Perez, Eades & Wilson, 2012). Furthermore, Chile allows us to consider the particularities of the neglected Latin -American reality (Perez, Eades & Wilson, 2012, Romero, 2004). In this study, we

investigate 20 cases of enterprises of different governance structure, activity sectors and sizes to examine the prevalence of participatory management and how it is manifest.

The article begins by considering briefly the concepts of social enterprise and participatory management. Then, we explore the possible relationship between these two concepts. Next, we detail the research design used in the study. Finally, we present the results and conclusions of the study.

SOCIAL ENTERPRISES

Social enterprises are organizations whose purpose is to connect a social mission with an enterprising action (Boschee, 2001; Pärenson, 2011) where profitability is not the final aim (Defourny & Nyssens, 2008; Germak & Singh, 2010). In other words, these organizations are oriented to solve social problems that persist in spite of the efforts of the mechanisms of the public sector, for-profit enterprises, and voluntary work (Hwee Nga & Shamuganathan, 2010; Lindsay & Hems, 2004; Pärenson, 2011). They can also be characterized by approaching these problems in innovative ways (Mancino & Thomas, 2005; Shaw & Carter, 2007).

Although it seems a novelty, social enterprise has its origins in the 18th and 19th centuries, when philanthropic entrepreneurs like Robert Owen began to show concern for improving the working and educational conditions, and the general welfare of employees (Shaw & Carter, 2007). In recent decades, social enterprises have grown profusely, as many see in these initiatives the mutually reinforcing possibility of increasing the income and improving the quality of life of individuals (Pereira & Bacic, 2011; Shaw & Carter, 2007). In the USA, for example, social enterprise exhibited a period of growth impelled by the conservative polices of the 1970s, when decreased social expenditures generated a greater need for private social initiatives (Germak & Singh, 2010).

Social enterprises are essentially non-profit organisations. Among them we can find organizations such as associations, nongovernmental organisations, foundations, and unions with social missions. Some of them such as cooperative and mutual enterprises can also obtain certain profitability (e.g.: Lindsay & Hems, 2004). Given that profitability is not the main aim of social enterprises, the efficacy in

these kinds of organizations can be ascertained through looking at the fulfilment of the following precepts: a) generation of innovative solutions of social problems, b) long-term financial sustainability, c) social legitimacy, and d) the ability to generate greater benefits to specific stakeholders especially in areas in which the state and for-profit organizations do not perform well (Noruzi *et al.,* 2010; Pärenson, 2011; Thomas & Marinangeli, 2016).

Various authors also state that social enterprises succeed in attracting people who feel well represented by the mission of these enterprises, and as a result they end up recruiting workers with a high degree of loyalty and commitment toward the organization (Hoffmann, 2006; Mancino & Thomas, 2005). It is also argued that another aspect that makes people feel motivated to work in these kinds of organizations is the level of participation that they exhibit (Shaw & Carter, 2007). These aspects can be explored further by considering the concept of participatory management.

PARTICIPATORY MANAGEMENT

The word participate, derived from the Latin *participāre*, means "to be involved with others in doing something; to take part in an activity or event with others" (Merriam Webster, 2019), linking individual action with a collective dimension. So participation is a human action related to various spheres of activity, which can range all the way from family life to political activity. Indeed, international organizations such as the World Bank, the United Nations, and the Inter-American Development Bank (IDB) promote it extensively (Bhatnagar *et al.,* 1996; Haq, 1990; Irarrázaval, 2005). This idea is not new; it starts from the basis that oligarchy is a pre-established form of the common life of large social groups, because the existence of leaders and hierarchies are inherent to social life. According to this, to speak of organizations is to speak of oligarchy (Sainteny, 2002).

Participatory management, by contrast, implies the involvement of employees in the decision-making process, which may include strategic decisions (Bainbridge, 1996; Courtney, 2002). The enterprise that practices participatory management is an organization in which some stakeholders are given a certain degree of decision making power with respect to its objectives (e.g.: Borzaga & Defourny,

2001; Ohana et al., 2012; Pestoff & Hulgard, 2016). Collier and Esteban (1999, p. 177) go further stating that "in participatory organizations people are not merely 'part of' the organization, but actually 'take part' in every aspect of its existence" replacing authoritarianism by leadership towards self-management, control by trust and privileged information by transparency. Thus, participatory management also involves the possibility that workers make meaningful decisions concerning their own work (Pojidaeff, 1995). Therefore, participatory management implies important changes in fundamental organizational aspects such as structures, practices, relationships, pay systems, values, competences and leadership (McNagal & Nel, 1997).

According to the literature, organisations adopting participatory management can experience several benefits. First, it contributes to increased employees' commitment (Bacciega & Borzaga, 2001; Ohana & Meyer, 2010; Rhodes & Steers, 1981) and deterring shirking (Bainbridge, 1996). Second, it also helps to increase job satisfaction (Benz, 2005; Borzaga & Tortia, 2006; Kim, 2002). Third, it facilitates the sharing of key information between employees and top managers (Bainbridge, 1996; Kandathil & Varman, 2007; Vargas, 2002). Fourth it helps in identifying and solving problems (Blasé &Blasé, 2001). Fifth it fosters the establishment of strong networks among the members (Hargreaves, 2001). Sixth, it also contributes to facilitating decision implementation (Abdulai & Shafiwu, 2014; Quagraine & Asiedu-Appiah, 2019).

Different authors also propose that the benefits of participatory management extend into society. It has been suggested that more democratically managed organisations can make a significant contribution to enhancing, facilitating and promoting co-production of public services between citizens and the government (Pestoff, 2012). It foster the involvement of the major parties or stakeholders affected by its activities (Kerlin, 2006; Pestoff, 2012). As a consequence, it contributes to promote more democratic societies (Defourny & Nyssens, 2010; Pestoff & Hulgard, 2016; Gleerup, Hulgaard & Teasdale).

Some authors, although observing the benefits of participatory management, have also reported implementation difficulties (e.g.: Austin et al., 2006; Reid & Turbide, 2012; Shagholi et al., 2010). Other authors have mentioned that participatory management could have downsides such as a larger number of decisions to be discussed, more time invested in deliberation and indecisiveness (Abdulai & Shafiwu, 2014; Olatunji et al., 2017; Quagraine & Asiedu-Appiah, 2019). However, little evidence has been presented to support this position (Abdulai & Shafiwu, 2014; Olatunji et al., 2017)."

SOCIAL ENTERPRISE AND PARTICIPATORY MANAGEMENT IN CHILE

The purpose of this document is to understand how participatory management is manifest and how it affects practices and decision-making processes in social enterprises within the context of Chile. There is a tendency to assume that participatory management is an integral aspect of social enterprises. Yet,

more research is needed to better understand the extent of participatory management in social enterprises (Pestoff & Hulgard, 2016). Since context affects how social enterprises develop (Kerlin, 2010; 2012), it may also affect how participatory management is implemented (Bidet, Eum & Ryu, 2018; Defourny, Nyssens & Brolis, 2019). We argue that it may be especially revealing to study this issue in contexts where the prevalence of authoritarian management styles may hinder participation.

Chile is a developing Latin American country where a paternalistic management style prevails (Martinez, 2005; Rodriguez & Rios, 2009; Romero, 2004). This type of management style involves autocratic and directive leadership in which leaders are "reluctant to delegate work and use teams" (Perez, Eades & Wilson, 2012: 3137). In this vein, we argue that Chile is an interesting setting to analyse participatory management in social enterprises. In Chile, for-profit enterprises are the dominant economic structure. Nevertheless, given that this country still faces several social challenges (Peppelenbos, 2005; Perez, Eades & Wilson, 2012), diverse forms of social enterprise have arisen (Gatica, 2015; Giovannini & Nachar, 2017), where many of those have reached a high degree of professionalization (Irarrazabal et al., 2006).

Despite that, the level of visibility and recognition of social enterprises remains insufficient and national studies analysing this type of organisations are still very few in number (Gatica, 2011; Giovannini & Nachar, 2017). Similar situation can be observed in Latin America as a whole (Gaiger, Nyssens & Wanderley, 2019; Madsen, 2013). Indeed, recent bibliometric studies has showed that Latin America is a neglected research context (Gonçalves, Carrara & Schmittel, 2016; Okano, 2019; Rey-Martí, Ribeiro-Soriano & Palacios-Marqués, 2016). Consequently, studies analysing participatory management in social enterprises are scarce. Furthermore, it has been argued that existing social enterprises frameworks are not always the most appropriate to represent the Chilean context, and that more research is needed to better understand the diversity of Chilean social enterprises (Gatica, 2015).

Decades ago, Rodríguez (1982) found that organizational democratization processes implied a larger number of decisions and high investment of time in deliberation, and as a consequence, it resulted in delegation practices in which a group decides on behalf of the collective. More recently, Muñoz et al (2016) reported that employees of social enterprises in Chile, although highly motivated, are insufficient in numbers to meet the needs of these organisations. They also observed that Chilean social enterprises could attract more potential candidates were they more open to apply participatory management styles (Muñoz et al., 2016)."

Given the diversity of organisational structures of Chilean social enterprises (Gatica, 2015; Giovannini & Nachar, 2017) and the authoritarian management styles that prevail in most Chilean organisations (Martinez, 2005; Perez, Eades & Wilson, 2012; Rodriguez & Rios, 2009; Romero, 2004), we aim to reveal how participatory management is manifest and affects social enterprise in such a context. Defourny and Nyssens (2010) observed that the social mission is at the heart of both American and European social enterprises, and that in both regions, members of social enterprises are collectively responsible for the public benefit and respective mission. Forcadell (2005) pointed out that for an

organization to successfully implement a more participatory administration it is necessary to work on organizational aspects such as corporate culture, organizational structure, and the strategic planning process. He concluded that a participatory decision-making process must go together with the establishment of more information, education, and consistent training of all the individuals in the organization.

As a result, it would be expected that participatory management would be an aspect that social enterprises declare openly as a part of their main organizational definitions, which would be manifest and communicated as missions, organisational objectives, values, philosophy and principles. It has been argued that mission and values can act as a useful reference point in social enterprises (Ismail & Johnson, 2019; Lumpkin et al. 2013). It has also been argued that social enterprises mission and objectives can help to align team members toward a common vision, and that to be effective, these organisational definitions have to be clearly articulated across organizational members and stakeholders (Ismail & Johnson, 2019; Mason & Doherty 2016). Otherwise, it would be unlikely to be transformed into policies, plans or other kinds of decisions. Consequently, Chilean social enterprises should also express explicitly their adhesion to a more participatory management approach. This leads us to state our first proposition:

Proposition 1: In the Chilean context, participatory management is an aspect that social enterprises declare explicitly as part of their main organizational definitions.

Various authors go further, proposing that participatory management is an essential part of the decision making process of social enterprises, so participatory management would be imbued with all the organization's actions regardless of whether it is explicitly stated by organisations. For example, several authors (e.g.: Cloke & Goldsmith, 2002; Jarley *et al.,* 1997; Manville & Ober, 2003) have stated that participatory management in organizations, in addition to juggling economic and social issues, has been of great importance to achieve greater effectiveness in organizational processes. It is also argued to foster greater degrees of innovation, reinforcing the creation of long term value. For example, Zandonai and Pezzini (2004), after evaluating the cooperative Italian sector, reported significant degrees of

participation in the definition of new procedures, new strategies and in the generation of new ideas. They also reported that participation increased emotional interest with respect to work.

According to Chaves and Sajardo (2004), social enterprises often have leadership styles that aim at getting greater participation in decision making, in contrast with the leaders of typical for-profit companies and organizations, who are centred mainly on efficiency, productivity and income maximization criteria. They also state that social enterprise directives are not necessarily found at the top of the organizational pyramid; they can sometimes assume a secondary role in the organisation. Similarly, Melian and Campos (2010) state that social enterprise directives have a central position in the organization´s hierarchy because they share with their collaborators the company's mission and labour practice.

In sum, various authors indicate that participatory management is an essential aspect of social enterprises, and therefore it would be expected that these kinds of organizations would have greater and more varied degrees of participation in decision making compared to typical for-profit enterprises, even though this may not explicitly be stated by the organisation. We propose that this situation should also be observed in Chilean social enterprise context:

Proposition 2: In the Chilean context, participatory management can be evident regardless

of whether it is explicit in the organisations articulated definitions.

Evidence shows that, although participatory management is an extended practice among social enterprises, it is difficult to implement and sustain over time (Austin et al., 2006; Shangholi et al., 2010). Somech (2002) found participatory management varies across different contexts and that different organisations differ in the degree of participation and structures they use to exert it. Reid & Turbide (2012) found that board/staff relationships for collaboration in decision-making between organisational levels varies over time and that crisis affect this relationships (Reid & Turbide, 2012).

In this vein, Shangholi et al. (2010) mentioned that barriers to participatory management are usually of three types: controllable, uncontrollable and capable of being influenced, with the uncontrollable barriers being mainly external factors. Here, a study made by the Interamerican Development Bank and the Social Enterprise Knowledge Network of 39 social enterprises reported that in various cases it is difficult to reconcile participation and the centralization of decisions because of the complexity of the governance structures that involve councils and assemblies (Austin et al., 2006). Consequently, some authors have observed the importance of preparing and training

employees to allow them to participate effectively (Abdulai & Shafiwu, 2014; Olatunji et al., 2017; Quagraine & Asiedu-Appiah, 2019).

In sum, participatory management is not easy to implement and sustain over time. Therefore, social enterprise may address these challenges in practice through ad-hoc organizational adjustments. For that reason, participatory management will not be manifest in a single approach; social enterprises may take different paths to implement it, regardless of their organisational structure. Austin et al., (2010) reported that an effective way to optimise decision-making in Ibero-American social enterprises is through consensus, a characteristic of the existence of more decentralized leadership to stimulate participation. This would support the idea that Chilean social enterprises would be able to implement participatory management, even though typical for-profit Chilean companies tend to exert a different managerial approach. In this way, participatory management in Chilean social enterprises in Chile would exhibit equifinality (that is how organisations follow different or even unique paths to develop similar managerial practices (Eisenhardt & Martin, 2000)), as organisations follow idiosyncratic paths and develop ad-hoc managerial processes to establish participatory management. In this context we present our third proposition:

Proposition 3: In the Chilean context, participatory management in social enterprises exhibits equifinality**RESEARCH METHODOLOGY**

Research Design

This work utilised a research strategy incorporating a multiple case study approach often called comparative design (Bryman, 2004). Case study research has been used since the beginning of the 20th century in different areas of the social sciences, including fields such as economics and administration (Yin, 2009). One of the main advantages is it allows "understanding the dynamics present within single settings" (Eisenhardt, 1989: 534). As stated by Hartley (1994), more than a method, case study is a research strategy characterized by using various data collecting techniques, often combining qualitative and quantitative methodologies.

Case study research is highly effective to approach phenomena that are poorly understood, dynamic, and have a number of complex variables (Gummesson, 2006). It allows for the exploration of emergent and rarely studied issues, through analysing the phenomenon in its context (Hartley, 1994). This research takes a multiple case study research to consider the heterogeneity of the organizations of interest and explore participatory management practices that transcend that variance.

Case Selection

With the purpose of exploring the diversity of social enterprises, 20 organizations were selected according to three criteria: governance structure, activity sector and size. In terms of the governance structure, organizations such as foundations, mutuals, cooperatives, and community organizations were selected as these are the most common types of social enterprises in Chile.

In terms of activity sector, we selected organizations involved in a wide variety of areas such as education, community development, technical assistance, human rights, sports, communications, savings and loan, child protection, democracy, production promotion, social service, citizen and neighbourhood representation, social protection, housing, work, and rehabilitation of disabled persons.

Finally, in terms of size, cases were selected according to two sub-criteria: number of associates, and territorial impact. The number of associates' sub-criterion was related to three ranges; social enterprises with less than 200 members, social enterprises with 200 or more members and social enterprises with more than 1000 members. The territorial impact sub-criterion was related to the territorial scope in terms of whether it served one or more cities. Then three sizes were established from the combination of sub-criteria: large, medium and small social enterprises.

From these criteria, we searched for different organizations finding social enterprises for most of our categories. Table I details the organizations that finally participated in the study. All of them operated in the urban metropolitan area of Santiago -the capital of Chile-, with the exception of 3 social enterprises whose activities where in other cities, and large organisations which operated in the capital and other Chilean cities. Although not all of the categories could be completed (it is very difficult to find small foundations and medium or large size community organizations in Chile), an extensive and heterogeneous selection of cases was achieved, enhancing the external validity to the study (Yin, 2009).

INSERT TABLE I

Data Collection Procedures

The data collection process focused first on getting information from secondary sources. To that end the web pages and official documents available from the organizations participating were evaluated. This wassubsequently compared and expanded through interviews with senior managers where they were asked to indicate the mission, vision, values, philosophy, objectives, and principles of their organizations, as well as their views on participatory management. Furthermore, the interviewees were asked to explain in concrete terrms how decision making was related to participatory management in their organizational activities. The interviews were conducted in person, had an average duration of one hour, and were recorded and later transcribed. In some of the cases, the interviewees were contacted again by telephone, to help clarify any ambiguity.

Data Analysis

As a general strategy for the data analysis, we made an analytic examination of the results in the light of the study's propositions (Yin, 2009). To facilitate that analysis, the instrument used for the interviews was based on those propositions, initially carrying out analyses at each proposition's level. The above was complemented with content analysis tools that allowed a more detailedexamination and coding of the obtained data. The transcriptions of the interviews were read over and over. The issues that emerged were refined by means of patterns, and the focus was transferred from exploration of the data to the empirical scrutiny of our propositions, and triangulated with the secondary sources of data.

RESULTS

In this section, we present the results of the research thematically, corresponding to our research propositions, as suggested by Yin (2009).

Proposition 1: In the Chilean context, participatory management is an aspect that social enterprises declare explicitly as part of their main organizational definitions.

Thirteen of the twenty interviewed senior managers declared explicitly some relation with participatory management (see Table II). In most of these cases, participatory management was associated with the organizational values, philosophy, objectives, or principles.

INSERT TABLE II

Senior managers of six social enterprises declared that participatory management was part of their organizational values (Corporación Genera, Colegio Cristiano Emmanuel, Fundación Asciende, Cooperativa Nova, la Unión Comunal Juntas de Vecinos N° 1 Maipú, and Taller de Acción Comunitaria Valparaíso). For example, in the case of Cooperativa Nova:

> *"The values are: participation, mutual respect, democracy, innovation, cooperation, social responsibility, equity, associativity, tolerance, and innovation."*

This was also evident in the case of Colegio Cristiano Emmanuel, where:

> *"The values that guide the actions within the school are: love, family, participation (we conceive man as a being created by God, endowed with gifts and skills to complement himself with others in permanent and perceptible work, to reach unanimity and in this way achieve common objectives and goals);..."*

Senior managers of three social enterprises declared their commitment with participatory management within their organizational philosophy (Canal Comunitario Pichilemu TV, Fundación Coanil, and Canal Comunitario Umbrales TV). For example, Fundación Coanil declared that:

> *"Its organizational philosophy includes being a relatively flat organization, with few positions between the highest and the lowest, with open doors, open e-mail; in general it is an organization in which you trust others..."*

Another such example is Canal Comunitario Pichilemu TV:

> *"We are a communication medium that aims to get close to people. We stand out for working to highlight what the people in Pichilemu think should be on the screen. Because we do not have an excluding political line, we do listen to all the neighbours who show interest in the social process involved in having a community channel. That is why we take in the people who want to participate, bringing the whole community closer to this medium, because we exist because of them and for them."*

Senior managers of two organizations declared that participatory management was among their objectives. One was Fundación Integra, who stated that:

"A strategic objective of the organization is the modernization of management, by means of organizational development strategies aimed at efficiency and service quality, creating a decentralized management system with modern processes, transferring greater decision capacity to the regions and strengthening the technical teams."

The other was Centro Comunitario 7 de Octubre, who stated that:

"Because we have objectives founded on an ideological conception, participation is limited to commitment with the organization and its theoretical affinity, and in this way it is expected that every member will share the foundations that support the organization's actions."

Senior managers of three organizations declared their commitment with participatory management in its organizational principles (Cooperativa de Trabajo Prymave, Preuniversitario Rafael Maroto, and Taller de Acción Comunal Valparaíso). For example, in the Cooperativa de Trabajo Prymave they stated that:

"This organization, since it is immersed in the Cooperative Movement, shares the principles of this movement, where democratic control is one of them."

Similarly, in the Taller de Acción Comunal Valparaíso they stated that:

"Although the TAC has participation and equal relations in its principles, this actually happens insofar that the volunteers and all the members work in the organization."

In the other seven organizations the concept of participatory management is not mentioned in their main organizational definitions.

In conclusion, although not all the social enterprises studied did so, it was found that more than a half of the senior managers declared explicitly their commitment with participatory management in terms of its values, philosophy, objectives, or organizational principles. This represents a significant tendency, as it was observed in organizations with the four different governance structure identified, from multiple activity sectors, and of all sizes. Accordingly, we contend that it is an important tendency seen across different types of social enterprises in Chile ra. On the other hand, the counterfactual situation was similar; organisations that did not declare explicitly that commitment were from different activity sectors

and had different sizes and governance structures, with the only exception of the cooperatives under analysis. We can therefore reach the conclusion that proposition 1 is not upheld across all of the social enterprises studied. This led us to restate this proposition as follows: *Social enterprises in the Chilean context may declare explicitly their commitment to participatory management in their main organizational definitions.*

Proposition 2: In the Chilean context, participatory management can be evident regardless of whether it is explicit in the organisations articulated definitions.

In fifteen of the twenty organizations under research, participatory management was reported as one of the central elements of organizational management. As seen in Table III, in the organizations that practiced participatory management, the highest degree of involvement was at the level of "important" decision making. For example, in Corporación Forja they stated expressly that important decisions were made jointly with the employees:

"Important decisions are made jointly because it is finally them (the employees) who know the work from a close perspective, bringing down the reality of Forja according to the contact with the children and their performance in the workshops."

Similarly, in Fundación Trascender activity planning is shared between the board of directors and the lower level employees:

"The organization works with a perspective of horizontality in which each person is in charge of an area and participates in the collective planning processes, together with the board of directors."

In Corporación Raíces participatory management is more widepread, because it ranges all the way from the minor decisions to the large organizational guidelines:

"The participation that takes place inside the organization is direct and highly developed. The micro-decisions and changes as well as the projects and large guidelines are decided by consensus. Management decisions are also made collectively."

Finally, among the five cases in which little evidence of participatory management was found, there were three organizations that expressly included participatory management among their

organizational values or objectives (Colegio Cristiano Emmanuel, Fundación Asciende, and Fundación Integra). However, senior managers of these organizations declared that in their daily operation they manifested a highly centralized and autocratic management and decision making process. That is, for these organizations participatory management was more an aspirational aspect than a concrete fact. For example, in Fundación Asciende they stated that:

"The leadership that is practiced in the foundation is autocratic, i.e., the choice of the work, actions, and decisions is performed by the founding members, who point out and establish the guidelines, making the decisions and executing the chosen strategies."

Colegio Cristiano Emmanuel is similar, and they stated that:

"Decision making is rather centralized. Both the director and the legal representative make the decisions within the context of the board of directors of which they are part."

The senior managers of the two remaining organizations (Un Techo para Chile and Canal Comunitario Señal 3 La Victoria) did not state explicitly a commitment with participatory management nor did they point it out as a central element of organizational management. In the case of Un Techo para Chile they stated that:

"A weekly assembly is held, focused on organic coordination, operational decision making by the coordinators, and no fundamental decisions are made through this agency. The assembly is consultative and not decisive."

Similarly, in Fundación Integra they stated that:

"There are some decisions that are made uni-directionally, such as in financial matters and other strategic aspects. However, some activities can be carried out by consensus or by voting, but generally these activities refer to benefits to the team or to celebrations. That is why participation is linked mainly with minor issues."

In conclusion, most senior managers of the social enterprises studied declared to have participatory management in their decision making process. Another interesting aspect to be noted is that five organizations that showed high degrees of participatory management did not state so explicitly (Corporación Raíces, Corporación Forja, Fundación Paternitas, Fundación Trascender, and Club Deportivo Ferroviario). These organizations were from different activity sectors and had different sizes

and governance structures. This suggests that although they did not express a commitment with participatory management, they still did consider it in practice as something fundamental in their management. Similarly, looking at the data analysis of propositions 1 and 2, it can be stated that eighteen of the social enterprises studied considered participatory management as an element having organizational importance, because in addition to the fifteen social enterprises that practiced participatory management, there were three which, although not practicing it, considered it important at least to declare it as part of their main organizational definitions. In short, we consider that the research provides evidence to support proposition 2.

Proposition 3: In the Chilean context, participatory management in social enterprises exhibits equifinality.

The purpose of this proposition was to observe and capture the different forms of participation that social enterprises practice. Only the fifteen organizations that reported that participatory management was a central aspect of their decision making processes were considered in the analysis of this proposition. As expected, various ways were identified in which participatory management was manifest. We grouped them in four main categories: common agreement, acceptance of base proposals, inquiry on decisions to be made, and voting on decision alternatives (see Table IV). The senior managers of six organizations stated that they put participatory management into practice by common agreement (Corporación Raíces, Fundación Paternitas, Club Deportivo Ferroviario, Taller de Acción Comunitaria Valparaíso, Centro Comunitario 7 de Octubre, and Canal Comunitario Umbrales TV). In these social enterprises the members of the organization met to discuss and debate ideas until a group position was agreed on. An example is Centro Comunitario 7 de Octubre, whose interviewee stated:

> *"Participation within the organization takes place directly and formally due to a functional horizontal structure. The members of the organization meet, discuss and debate to carry out decision making by common agreement."*

Another example is Fundación Paternitas, where they stated that in that organization:

"No authoritarian decision making is practiced, because in the work meetings the aim is to discuss and reach

agreement between the technical areas and the board of directors."

Corporación Raíces, on the other hand, mixes two kinds of participatory management: common agreement and the acceptance of base propositions:

"Professionals and workers are entitled to generate projects, innovate and make propositions, which are

discussed collectively reaching a consensus."

The senior managers of four other organizations stated that participation was expressed through the acceptance of base proposals (Corporación Genera, Fundación Trascender, Canal Comunitario Pichilemu TV, and Preuniversitario Rafael Maroto). In these organizations, the members are the ones who present the proposals which, after being considered by the directors, become the basis of the activities carried out. For example, in Fundación Trascender:

"The executive board is composed of 11 officers who make a proposition to the board of directors, who accept

or make amendments by consensus with the executive directors."

Another example is Corporación Genera, who stated that:

"In actual practice, decisions are usually made collectively, channelling the proposals to the work teams."

The senior managers of three other organizations (Corporación Forja, Unión Comunal Juntas de Vecinos N°1 Maipú, and Coanil) stated that participatory management took place in a consultative manner, with the director's decisions improved through conversation with the bases. In the case of Corporación Forja the board of directors

"...meets once a month to make decisions. No important step is taken in the organization without consulting it

with them, because they do not want to drift away from their mission and vision."

Similarly, in Fundación Coanil:

"The board of directors is the organism that makes decisions and then reports them to all the members.

However, the opinions of all are taken into account to make decisions in agreement with reality."

In the two remaining cases (Cooperativa de Trabajo Prymave and Cooperativa de Ahorro y Crédito Nova) a participatory management characteristic of cooperatives is carried out, where the

members of the organization meet in an assembly and make decisions as a function of the one-member-one-vote principle. For example, Cooperativa de Trabajo Prymave stated that:

"The participation generated within the association is democratic, because any participant who pays the minimum fee has the right to participate in the election of the board and in decision making in general."

While Cooperativa de Ahorro y Crédito Nova stated that:

"With respect to participation, every contribution made by each member of the organization is always taken into account. At the level of the directors and officials there is direct, formal participation oriented to important decisions.

It is illuminating that just one of the fifteen social enterprises analysed in this section (Corporación Raíses) practiced more than one kind of participatory management. The rest of social enterprises practiced only one of the different forms of participations observed. This issue was not linked to any specific size, activity sector or governance structure apart from cooperatives which specific form of participation was voting. Furthermore, apart from cooperatives, there were no organizations using voting as a way to implement participatory management.

In conclusion, the modes of participatory management used by social enterprises are varied and encompass various hierarchic levels of the organization. Thus, our research provides evidence that there are different forms of participatory management in Chilean social enterprises. We contend that different levels of involvement in making decisions helps to reconcile the efficiency-participation tandem, therefore providing important evidence to support our third proposition related to the idea that participatory management in social enterprises exhibits equifinality. We therefore modify our third proposition to:

Proposition 3: In the Chilean context, for those social enterprises that engage in participatory management this can be manifest in common agreement, acceptance of base proposals, inquiries on decisions to be made and through voting on decision alternatives.

We consider the implications of these findings in more detail in the following section.

DISCUSSION AND FUTURE RESEARCH

The purpose of our research was to understand how participatory management is manifest and how it affects practices and decision-making processes in social enterprises within the context of Chile. Our research provides evidence to support previous work and also brings to light other issues not commonly considered in the literature. First, a clear tendency was found that senior managers of social enterprises in the Chilean context consider participatory management to be an important organizational aspect, as managers from organizations of all types, sectors and sizes practiced it and/ or stated it as a part of their main organizational definitions. .

Second, it was also interesting to observe that three social enterprises under research, in spite of declaring a commitment with participatory management, were managed autocratically. It would be very interesting to know in greater depth the motivations and management systems of those organizations and whether it was the result of circumstantial managerial visions or simple of the challenge of putting into practice a more participatory kind of management in the Chilean context.

Third, different forms of participation were seen as social enterprises took an equifinalapproach, where different starting points and different paths can be taken to achieve the same objective. Therefore, one of the contributions of the research was to provide evidence that participatory management practice can be expressed in different forms regardless the type, size and activity sector of the organisation. Future studies may delve deeper into these different forms of participation to better understand b their antecedents, processes and the organizational adjustments required for their successful operation.

Fourth, it was also interesting to observe that, although we identify four clear modes of participatory management, the majority of the social enterprises studied practiced only one of these approaches. This suggests that once a social enterprise define a specific participatory management practice, they tend to maintain it over time without trying to explore new forms of participation. It was also possible to observe that, among the different types of social enterprises, cooperatives are the ones that have the most standardised participatory management practices. Although we could not observe

alternatives forms of participation in the cooperatives under research, we could observe that for them, voting is *the way* to implement participatory management and also a fundamental value that justifies their existence.

LIMITATIONS OF THE STUDY

This study was made on a number of enterprises selected following predefined conceptual criteria and under the logic of case studies (Eisenhardt, 1989). Therefore, its results are not generalizable in a statistical way. However, we consider that the selected cases cover a quite diverse spectrum of organizational profiles that provide a good idea of the variations that may be encountered in a statistically selected sample. We interviewed mainly directives of these organisations, therefore we captured a limited perspective of those organisations. However, since we asked them to explain their actual participatory management practices, we contend that we present relevant data to address the propositions.". We conducted our interviews in a specific moment in time, which captured only their present situation and did not reflect the efforts they made and the challenges they faced to implement participatory management.

CONCLUSIONS

Within the Chilean context, dominated by paternalist, command and control management practices, we observed a diverse group of social enterprises engaged in participatory decision-making. Somewhat counter intuitively, some of them stated participatory management as a part of their main organizational definitions yet some did not. We saw different forms of participation such as common agreement, the possibility of making propositions, decision making consulting different hierarchical levels, and voting on decisions deployed. This study supports the idea that social enterprises can have - or at least aspire to have- shared decision-making processes even in a cultural context where typical for-profit companies tend to act in the opposite manner.

We conclude that, even within a relatively unsupportive management context, social enterprises tend not only to solve social problems, but also to provide a vehicle for a transition towards a more participative form of management.

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Table I: Selected social enterprises

Type	Size	Activity Sector	Position of the Interviewee
Mutuals	Small	Raíces: Social service, human rights, education	Executive director
		Genera: Citizen representation and human rights	Vice director
	Medium	Forja: Promotion of production, technical assistance	Executive director
	Large	-------	
Foundations	Small	-------	
	Medium	Colegio Cristiano Emmanuel: Education	Legal representative
		Asciende: Sports, education	Executive director
		Paternitas: Social protection, human rights	President
	Large	Un Techo para Chile: Housing	Senior coordinator
		Integra: Child protection, education	Head of education
		Coanil: Integral rehabilitation of disabled persons	General manager
		Trascender: Technical assistance	Executive director
Cooperatives	Small	Cooperativa de Trabajo Prymave: Labor promotion	President of management board
	Medium	Caja Nova Cooperativa Ahorro y Crédito: Financial	President of management board
	Large	-------	
Community Organizations	Small	Unión Comunal de Juntas de Vecinos N°1 de Maipú: Representation of neighbors	President
		Club Deportivo Ferroviario: Sports	President
		Canal Umbrales TV: Communications	President
		Canal Pichilemu: Communications	Director
		Canal señal 3 La Victoria: Communications	Director
		Preuniversitario Rafael Maroto: Education	General manager
		Taller de Acción Comunitaria Valparaíso: Community development	Director
		Centro Comunitario 7 de Octubre: Community development	Head of Education
	Medium	-------	
	Large	-------	

TABLE II: Participative management and main organizational definitions.

No.	Organization	Participative management declared expressly	Values	Philosophy	Objectives	Principles
1	Corporación Raíces	-------------				
2	Corporación Forja	-------------				
3	Corporación Genera	"The actions carried out by Genera are oriented to making a values dispute, so the central values of the organization are: equity, solidarity, respect, search of common good, social and citizen's participation, respect for gender and sexual orientations, and the projection of all rights."	X			
4	Colegio Cristiano Emmanuel	"The values that guide the actions in the school are: love, family, participation (we conceive man as a being created by God, endowed with gifts and skills to complement himself with others in permanent and perceptible work, to reach unanimity and in this way achieve common objectives and goals)..."	X			
5	Fundación Asciende	"The central organizational values are oriented to solving social problems through sports, generating participative and team work to improve social coexistence."	X			
6	Fundación Paternitas	-------------				
7	Un Techo para Chile	-------------				
8	Fundation Integra	"A strategic objective of the organization is the modernization of management by means of organizational development strategies aimed at efficiency and service quality, creating a decentralized management system and with modern processes, transferring greater decision capacity to the regions and strengthening the technical teams."			X	
9	Fundation Trascender	-------------				
10	Cooperativa de Trabajo Prymave	"This organization, because it is immersed in the Cooperative Movement, shares its principles, one of which is democratic control."				X
11	Cooperativa de Ahorro y Crédito Nova	"The values are: participation, mutual respect, democracy, innovation, cooperation, social responsibility, equity, associativity, tolerance, integration, and innovation."	X			
12	Unión Comunal Juntas de Vecinos N° 1 Maipú	"Participation is a central value that is promoted as one of the key success factors, criticizing the autocratic actions of other directors and trying to incorporate this practice in all adhered organizations."	X			
13	Club Deportivo Ferroviario	-------------				
14	Canal Comunitario Pichilemu TV	"We are a communication medium that aims to get close to people. We stand out for working to highlight what the people in Pichilemu think should be on the screen. Because we do not have an excluding political line, we do listen to all the neighbours who show interest in the social process involved in having a community channel. That is why we take in the people who want to participate, bringing the whole community closer to this medium, because we exist because of them and for them."		X		
15	Preuniversitario Rafael Maroto	"We advocate for an education with democratic methods that allows getting knowledge and education all of us together, with a method in which it is not the teacher who directs all the class, but he acts more as a coordinator so that all in the classroom can contribute their ideas and knowledge to development..."				X
16	Taller de Action Comunitaria Valparaíso	"The open space that is formed the values that reinforce the community, participation, and social life are present. The organization promotes social justice, justice between people as individuals, and solidarity. Although the TAC has participation and equal relations among its principles, this actually happens insofar that the volunteers and all the members work in the organization."	X			X
17	Centro Comunitario 7 de Octubre	"Because we have objectives founded on an ideological conception, participation is limited to commitment with the organization and its theoretical affinity, and in this way it is expected that every member will share the foundations that support the organization's actions."			X	

18	Fundación Coanil	"Its organizational philosophy includes being a relatively flat organization, with few positions between the highest and the lowest, with open doors, open mail, and in general it is an organization in which you trust others..."		X		
19	Canal Comunitario Señal 3 La Victoria	-------------				
20	Canal Comunitario Umbrales TV	"This popular antenna is aimed at being a space for discussion in which the people from the slums see themselves reflected and at the same time can have the opportunity to express their feelings, their chores, their activities and dreams."		X		

TABLE III: Participative management and decision making

No.	Organization	Participative management as a central aspect	SI	NO
1	Corporación Raíces	"The participation that takes place in the organization is direct and highly developed. Micro-decisions and changes to large projects and guidelines are decided by consensus. Management decisions are also made collectively."	X	
2	Corporación Forja	"Important decisions are made jointly because it is finally them (the employees) who know the jobs from a close perspective, landing the reality of Forja according to the contact with the children and their performance in the workshops."	X	
3	Corporación Genera	"Although the administration of the mutual is legally defined by the positions that constitute the board of directors, in practice the decisions are often made collectively, channelling the proposals through the work teams."	X	
4	Colegio Cristiano Emmanuel	"Decision making is rather centralized. Both the director and the legal representative make the decisions in the context of the board of directors of which they are part."		X
5	Fundación Asciende	"The leadership that is practiced in the foundation is autocratic, i.e., the choice of the work, actions, and decisions is performed by the founding members, who point out and establish the guidelines, making the decisions and executing the chosen strategies."		X
6	Fundación Paternitas	"Decisions are made by the foundation's chairman, board of directors, and managers; there is also a technical unit in charge of directing the professionals trying to implement the guidelines set by the board... No authoritarian decision making is put in practice, because in the work meetings we try to discuss and reach agreement between the technical areas and the board of directors."	X	
7	Un Techo para Chile	"A weekly assembly is held, focused on organic coordination, operational decision making by the coordinators, and no fundamental decisions are made through this organism. The assembly is consultative and not decisive."		X
8	Fundación Integra	"There are some decisions that are made uni-directionally, such as financial matters and other strategic aspects. However, some activities can be carried out by consensus or voting, but generally these activities refer to benefits to the team or to celebrations. That is why participation is linked mainly with minor issues."		X
9	Fundación Trascender	"The organization works with a horizontal perspective in which each person is in charge an area and participates in the collective planning processes together with the board of directors."	X	
10	Cooperativa de Trabajo Prymave	"The participation generated within the association is democratic, because any participant who pays the minimum fee has the right to participate in the election of the board and in decision making in general."	X	
11	Cooperativa de Ahorro y Crédito Nova	"It is a highly participative organization where it is necessary to negotiate, and this leads to a participation logic different from that of a private enterprise, where only a small group of persons make the decisions."	X	
12	Unión Comunal Juntas de Vecinos N° 1 Maipú	"This organization proposes a democratic leadership related mainly to the objective of motivating and including the social directors in decision making."	X	
13	Club Deportivo Ferroviario	"Participation in the organization is constant and in permanent communication; decisions are discussed at the meetings."	X	
14	Canal Comunitario Pichilemu TV	"At the time of making decisions the opinions of all are listened to with respect to the programs, their frequency, the program schedule, and the ways of diffusion of the channel. These meetings are held at least once a month with the purpose of determining how each program is doing and what changes must be made."	X	
15	Preuniversitario Rafael Maroto	"It is mostly a direct participation in which every person participates and gives ideas, which are developed by the whole community."	X	
16	Taller de Acción Comunitaria Valparaíso	"Participation is formal, because sessions with volunteers are set in which the work done and to be done is discussed and evaluated." "The board of directors makes the decisions on important matters, while the volunteers make decisions on the actions corresponding to the work to be done, such as planning."	X	
17	Centro Comunitario 7 de Octubre	"Participation in the organization takes place directly and formally, due to a horizontal-functional structure. The members of the organization meet, discuss and debate to make decisions by common agreement."	X	
18	Fundación Coanil	"Its organizational philosophy includes being a relatively flat organization, with few positions between the highest and the lowest, with open doors, open mail, and in general it is an organization in which you trust others, obviously controlling, but at the same time understanding that they can be wrong."	X	
19	Canal Comunitario Señal 3 La Victoria	"In this channel a strong leader is recognized, who is the director of the channel; it can be described as an autocratic leadership, because the director of the channel makes the decisions and reports them to the rest, without any massive assemblies involving the community. He is a leader that has no turnover and who subjectively assesses the work of those who participate in the medium and of those who live in the community. The director's kind of leadership is oriented more to the task than to the relations."		X
20	Canal Comunitario Umbrales TV	"The management and direction of the medium does not pertain to a strong identifiable personalism. Decisions are made in an assembly composed of the six leaders of the channel, where the most important decisions are made, and the rest of the people belonging to the channel are informed of them."	X	

<center>TABLE IV: Kinds of participative management</center>

Organization	Quotations	Common agreement	Base proposition	Inquiry	Voting
Corporación Raíces	"The professionals and workers are entitled to generate projects, innovate and make propositions, which are discussed collectively, reaching consensuses."	X	X		
Corporación Forja	"…It meets once per month to make decisions. They take no important step in the organization without consulting it with them, because they do not want to deviate from their mission and vision."			X	
Corporación Genera	"In practice, the decisions are usually made collectively, channelling the propositions of the work teams."		X		
Fundación Paternitas	"No authoritarian decision making is practiced, because in the work meetings the aim is to discuss and reach an agreement between the technical areas and the board of directors."	X			
Fundación Trascender	"The executive administration is composed of the 11 officials who are the ones that make a proposition to the board of directors, who accept it or make amendments in consensus with the executive administration."		X		
Cooperativa de Trabajo Prymave	"The participation that is generated in the association is democratic, because any participant who pays the minimum fee has the right to participate in the election of the board of directors and in decision making in general."				X
Cooperativa de Ahorro y Crédito Nova	"With respect to participation, every contribution made by one of the members of the organization will always be taken into account. At the director's and official's level a direct, formal participation oriented to the important decisions is made".				X
Unión Comunal Juntas de Vecinos N° 1 Maipú	"This organization proposes a democratic leadership related mainly with the objective of motivating and including the adhered socials heads. This leadership in turn allows the legitimation of the decisions and the actions of the board of directors, because an error caused by an autocratic decision produces a deep dislike and conflict between the board and the adhered organizations, while an error caused by a participative decision made by consensus with the social bases has no major repercussions on the legitimacy of the board."			X	
Club Deportivo Ferroviario	"Every actor is vital in making decisions… There is an active participation that remains in contact with the needs existing in the team… The coaches are constantly having conversations with the players."	X			
Canal Comunitario Pichilemu TV	"At the time of making decisions the opinions of all are listened to with respect to the programs, their frequency, the program schedule, and the ways of diffusion of the channel. These meetings are held at least once a month with the purpose of determining how each program is doing and what changes should be made."		X		
Preuniversitario Rafael Maroto	"Various participation mechanisms exist, centred mainly on the ideology of human growth and development, because participation allows the development of the person promoting the personality."		X		
Taller de Action Comunitaria Valparaíso	"Decisions labelled as important are made by a board of directors, with the participation of representatives of organizations and institutions, heads, and in some cases also volunteers."	X			
Centro Comunitario 7 de Octubre	"Participation in the organization takes place directly and formally, due to a horizontal-functional structure. The members of the organization meet, discuss and debate to make decisions by common agreement."	X			
Fundación Coanil	"The board of directors is the organism that makes the decisions and then informs all the members. However, the opinions of all are always taken into account to make the decisions according to reality."			X	
Canal Comunitario Umbrales TV	"The management and direction of the medium does not pertain to a strong identifiable personalism... Decisions are made in an assembly composed of the six leaders of the channel, where the most important decisions are made, and the rest of the people belonging to the channel are informed of them."	X			