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A MODEL FOR BETTER SOCIAL PROJECT MANAGEMENT

Brenda Massetti

INTRODUCTION

Business has an execution problem when it comes to social action (Moura-Leite & Padgett, 2014; Trahant, 2015; Rangan, Chase, & Karim, 2015). Not only are Social enterprises failing to have a lasting impact (Gasca, 2017; Nee, 2015) but Commercial enterprises are also failing to satisfy rising demand for social efforts (White, 2015). In fact, individuals donate four times more on average to charity annually than Commercial enterprises (Zinsmeister, 2016). Yet, rising income inequality and ecological degradation continue to threaten society's welfare (Islam, 2015). Given the tremendous power business enterprises have to effect change, better social performance on their behalf is likely to benefit everyone greatly.

After highlighting the execution challenges both Commercial and Social enterprises face regarding social action, this paper introduces the Social Project Grid (SPG), a dual-factor assessment tool for tracking and assessing social projects. Using the constructs of Resource Use and Outcome Clarity, the SPG provides a generalizable mechanism prioritizing social project performance for any enterprise type. In addition, the paper suggests future research direction regarding social project management. Based on the belief that better measures lead to better performance, the paper is intended to help managers, consultants, and researchers improve social project execution.

A COMPARISON OF BUSINESS APPROACHES TO SOCIAL ACTION

Although they have performed social actions to some degree since their inception, Commercial

enterprises function under an economic theory which touts their primary societal benefit to be maximizing profits (Friedman, 2007; Maverick, 2015). So, when a choice arises for Commercial enterprises to increase profits or become more socially responsive, they have long been encouraged and rewarded for increasing profits (Tran, 2015). Moreover, their profit maximization imperative places them under constant pressure to do more with less. Faced with ever fewer resources to accomplish ever increasing profit objectives, managers of this enterprise type get little opportunity to focus on social efforts (Robertson, 2014). In the extreme, the drive for more profit

produces an externalizing mindset, whereby managers either ignore social concerns or use social projects as marketing tools. Take for example, New York's Citi Bike program, established primarily to improve Citibank's public image after the financial crisis (Essex, 2017). While Citibank's image has benefited greatly, the program continues to flounder (Kuntzman, 2017).

Social enterprises do not view social action the same way. They

see it as the core reason for their existence and use profits/surpluses to increase their social impact and organizational effectiveness (Austin, Stevenson, & Wei-Skillern, 2012). Their economic theory is based on societal sustainability (Robertson, 2014), so when a choice arises for them to produce more profits or more social good, the decision for social action is encouraged and rewarded (Confino, 2014). However, many cannot fully support themselves through fees or sales alone, and survive only by the grace of benefactors. In addition, most lack the skill sets and personnel required to scale their efforts for meaningful impact (Belinsky,

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2014). Take for example, Cause, a non-profit pub in Washington DC. While designed to donate a portion of its profits to various charities, the bar never made any money and closed operations 14 months after opening. Not only were the founders unable to secure adequate startup funding but they also lacked basic restaurant management skills (Cobb, Rosser, & Vailakis, 2015)

SOCIAL PROJECT SUSTAINABILITY

Social projects are most sustainable when they contain a mix of social and commercial actions (Osberg & Martin, 2015). *Social actions* within a business enterprise are efforts that extend beyond immediate profit maximization and are intended to increase societal benefits or mitigate societal problems (Marquis, Glynn, & Davis, 2007). They take a measured perspective and focus on relationships where advantage accrues to the whole of society (Mulgan, 2010). Efforts to provide homeless veterans with shelter, food, and psychological counselling would be an example. In contrast, *Commercial actions* are organizational efforts concerned with making money rather than with other aims such as scientific study or public service (Commercial Action, 2017). In general, making money requires completing as many profit-generating transactions as possible, in as little time as possible (Rampton, 2015). Automated trading practices on a stock exchange would be an example. Figure 1 depicts the nature of these action types along a continuum of organizational effort.

Ideally, the perfect social project would exist somewhere in the middle of the continuum, containing enough commercial actions to keep it sustainable and enough social actions to ensure

it benefits society and/or the planet. However, given the predilections of Commercial and Social enterprises to focus on opposite ends of the continuum, it is difficult for either enterprise type to get and keep the right action mix. For example, when the shoe company Sketchers created BOBS shoes, copying both TOMS' donation practices and shoe styles, it received more market criticism than community admiration for its efforts (Mainwaring, 2010). Moreover, as a social enterprise, TOMS has been challenged to overcome the dependency conditions caused in some communities from its one-for-one donation practices (Chapin, 2015). Although getting the right mix requires better balancing of commercial and social efforts, each enterprise type tends to compartmentalize its focus.

THE SOCIAL PROJECT GRID DEFINED

Rather than assess commercial and social performance separately, the Social Project Grid (SPG) offers managers a combined graphical representation of social project efficiency and effectiveness. Constructed as a Cartesian coordinate system with Resource Use as the y-axis and Outcome Clarity as the x-axis, the SPG is shown in Figure 2. After defining each construct, a brief example describes how the grid improves social project management.

Resource Use represents the time, materials, labor, information, and equipment spent on a given social project, net of any project revenue produced over a defined measurement period (Kahn, 2016). The construct is widely used for assessing all types of projects and is adaptable for many considerations, including net present value determination (Tuan, 2008). For the SPG, it is

Figure 1 A Continuum of Organizational Action

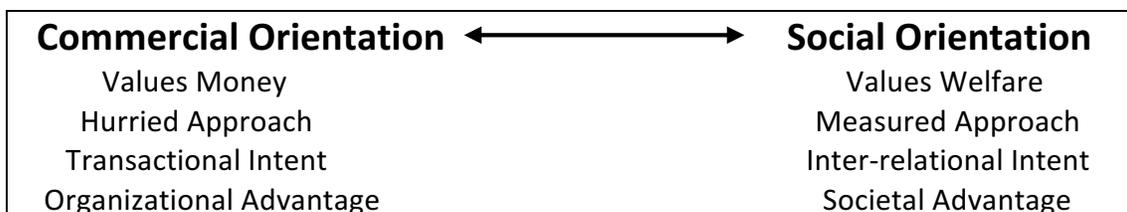
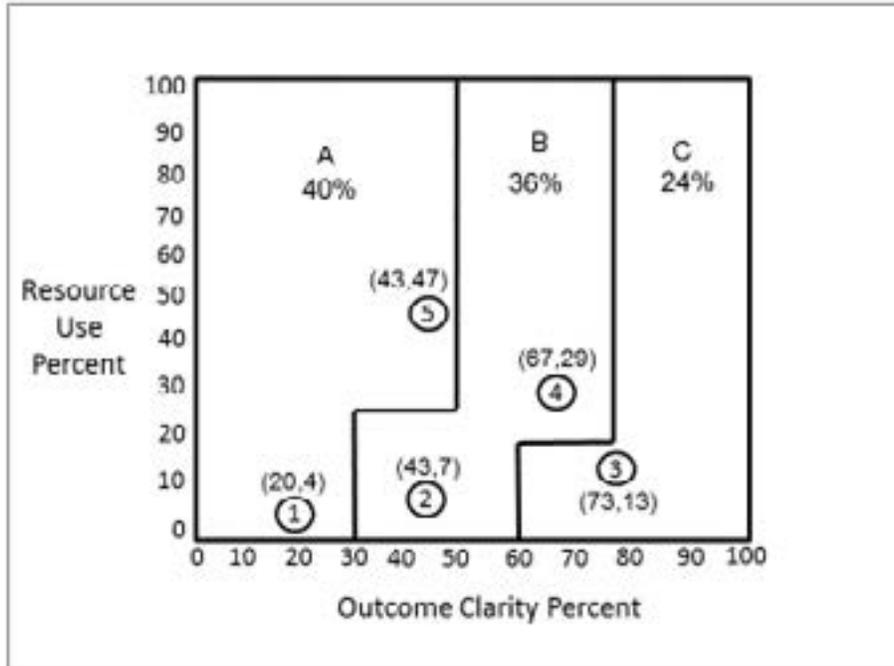


Figure 2 The Social Project Grid (SPG)



shown in percentage form. Generally, managers tend to scrutinize high-resource-use projects for greater efficiency. However, while Resource Use is a very important measure for commercial projects, it is an incomplete performance measure for social projects. Not only are some costs likely to be difficult or impossible to monetize but social progress is also difficult to determine from resources alone. Even with revenue generation considered in the calculation of Resource Use, a project may be well ahead or far behind where it should be relative to society's needs.

The construct Outcome Clarity represents how connected a social project's results are to its goal (Massetti, 2013). Social projects whose results plainly achieve their goals are effective, while projects whose results are not reflective of their goals are ineffective (Beel, 2007). Because measures of welfare enhancement are highly idiosyncratic and often project specific, focusing on the muddle between a project's result and its goal offers a reliable way to demonstrate whether a given project is beneficial. Moreover, it allows for comparisons across social projects. For example,

it is difficult to compare an outcome of gathering 20 lbs. of highway trash with that of signing up 200 people for an AIDS walk. But, if 20 lbs. happens to be the most trash ever picked up along that highway and the AIDS walk happens to have needed 4000 people to reach its goal, then the outcomes can be compared more directly. Because a variety of factors impact social effectiveness, however, a brief description of the five considerations included in the Outcome Clarity construct for the SPG follows. Table 1 displays the survey items designed for measuring them.

First, it is important to consider how involved an enterprise is with the social issue being addressed. For example, an enterprise may choose to enhance social welfare by acting directly or by acting indirectly, relying instead on a third party. To the extent an enterprise outsources responsibility for a social cause, however, it cannot be certain the project's outcome has achieved its social goal. Consider the practice of retail stores supporting charities. Some stores make a direct effort to help the cause, others donate money, and still others ask their customers to donate money for them

Table 1 Survey Items to Provide a Robust Measure of Outcome Clarity for the SPG*

1. What is the organization's degree of involvement with the social project?						
0	1	2	3	4	5	6
Outsourced to 3 rd Party			Half Outsourced			Performed Internally
2. How connected is the project's outcome to its goal?						
0	1	2	3	4	5	6
Loosely Connected			Somewhat Connected			Strongly Connected
3. To what extent are the project's outcome measures open to interpretation?						
0	1	2	3	4	5	6
Very Open to Interpretation			Somewhat Open to Interpretation			Not Open to Interpretation
4. To what degree were unanticipated outcomes associated with this project?						
0	1	2	3	4	5	6
To Great Extent			To Some Extent			To No Extent
5. To what extent did a social benefit result from this project?						
0	1	2	3	4	5	6
No Benefit Noticed			Some Benefit Noticed			Much Benefit Noticed

*Please note the higher the score, the greater the Outcome Clarity

(Thurston, 2013). To the extent a store chooses to transfer money to a charity, it forfeits control over how the social cause is being resolved and/or what the charity does with the money. So, the more outsourced a social project, the lower its Outcome Clarity score.

Second, it is important to consider how conceptually connected the outcome is to its goal, or how much face validity the outcome has with respect to the goal (Drost, 2011). This consideration offers an indication of whether the project has accomplished what was intended. Take for example, Citibank's *Pathways to Progress* project, aimed at reducing youth unemployment (Patella, 2014). This project has face validity to the degree it provides jobs to young people. In general, the stronger the connection between a goal and outcome, the greater the Outcome Clarity score.

Third, it is helpful to consider the extent to which an outcome's measures are open to interpretation.

In general, outcomes which are assessed using fact-based, observable measures (i.e. objective) are less open to interpretation than those assessed with feelings or opinions (i.e. subjective measures). To the extent an outcome's measures are open to interpretation, the less certain one can be the outcome achieved its goal (Ratner, 2002). For example, PetSmart ran a promotion in 2017 promising to give a meal to a pet-in-need for every bag of cat or dog food purchased during the year. Not only is it now distributing over 63 million meals to specific pet shelters and food banks around the U.S. but it has also clearly defined that a meal is 5 ounces of dog food or 1.5 ounces of cat food (PetSmart, 2018). For the SPG, a social project's Outcome Clarity is greater the less open to interpretation its outcome's measures are.

Fourth, the extent to which the project produces unanticipated consequences is an important consideration for Outcome Clarity. A well

planned and executed project typically has few if any unanticipated consequences. The more that unanticipated consequences emerge from a project, the less certain one can be that the project has done what it is supposed to do (Beel, 2007). For example, PepsiCo recently had to scrap and apologize for its multimillion-dollar advertisement “Live for Now Moments Anthem” shortly after it launched. Intending to sell more soda by linking positive social values with its core product, PepsiCo may now be sued for its efforts (Hooton, 2017). It failed to anticipate how the public might react its highly contrived protest event (Wattercutter, 2017). So, the greater the unanticipated consequences, the lower the Outcome Clarity for a project.

Fifth, it is relevant to consider the degree to which a given project has produced social benefit. Social benefit results in prosperity with sustainability and justice for all (Stiftung, 2012). If some degree of social benefit cannot be found in a social project’s outcome, that project lacks Outcome Clarity. For example, creating a “Call-Your-U.S.-Congress-Person” campaign to take action on climate change may generate numerous calls, but do little to help the planet. In general, the more social growth a project provides, the greater is its Outcome Clarity.

Totaling responses from the items in Table 1 yields the Outcome Clarity score for a given social project. Although robust in nature, depending on a given enterprise’s needs, additional effectiveness considerations could certainly be added to the construct. Within the SPG, Outcome Clarity is shown in percentage form such that the higher the percentage, the greater the Outcome Clarity for a given project.

THE SOCIAL PROJECT GRID EXPLAINED

Borrowing from the concepts and practices of Selective Inventory Control (Krajewsky, Malhotra, & Ritzman, 2015), the SPG treats social projects as a form of inventory, prioritizing them based on their need for managerial attention. Social projects are placed into one of three categories depending on their Resource Use and Outcome Clarity

scores. Projects using the most resources with the least clear outcomes have significant problems, and would benefit from immediate managerial attention. These projects are typed as A-category and could easily threaten an enterprise’s social goals and image. On the other hand, projects using very few resources with very clear outcomes have few, if any, problems. These are classified C-category and are not likely to threaten an enterprise’s reputation. In fact, C-projects represent positive examples of successful social projects managers could either promote or expand. Finally, projects with moderate-to-high Resource Use and/or moderate-to-low Outcome Clarity call for some managerial correction and are typed B-category. Their performance could be improved but they are not as threatening as A-projects, allowing some discretion regarding when and how to intervene.

To establish relevant boundaries for these categories, managers should first generate a scatterplot of their social projects’ Resource Use and Outcome Clarity scores within the SPG. Depending on the results, appropriate boundaries can then be established. In general, the A-category should be the largest of the three, ensuring all seriously troubled projects get the attention they need, ranging from 40% to 50% of the total SPG area. The C-category should be the smallest, making the bar high enough to ensure success, ranging from 20% to 30%; and, the B-category should contain the rest, ranging from 30% to 40%. A hypothetical example is presented in Figure 2, with the supporting data available in Table 2. For instance, the SPG depicted in Figure 2 shows an A-category with 40% of the total area for the grid, a B-category with 36%, and a C-category with 24%.

Although it is always useful to consider performance data in both tabular and graphical formats, it would be difficult to determine from the data in Table 2 whether managerial interventions are needed for these projects. But, one can readily determine from Figure 2 that Projects 1 and 5 are in trouble; Projects 2 and 4 need tweaking; and, Project 3 is the best performer in the bunch.

Moreover, the nature of the SPG’s approach offers

Table 2 Hypothetical Project Data Regarding Outcome Clarity and Resource Use

Project Number	Outcome Clarity Score	X-axis Outcome Clarity %	Resource Use	Y-axis Resource Use %	SPG Position
1	6	20%	\$ 9900	4%	A-project
2	13	43%	\$16800	7%	B-project
3	22	73%	\$32300	13%	C-project
4	20	67%	\$73000	29%	B-project
5	13	43%	\$118000	47%	A-project
Totals	30 points		\$250000		

managerial guidance. Specifically, A-category’s projects ought to receive direct managerial intervention. Project 1 is so small and muddled it might need cancelling; and, Project 5 is consuming so many resources for no clear reason that an immediate overhaul seems prudent. B-category’s Projects 2 and 4 could use some help but their needs are not as pressing. Delegating their improvement to quality circles or process-improvement teams would not only generate more ideas for these projects but could also raise employee commitment for social projects, without increasing managerial effort. C-category’s Project 3 is using so few resources and producing such a clear outcome relative to the others that it does not require immediate attention. However, it may benefit from additional resources if and when they become available.

While the SPG helps shape perspective and guide decisions regarding social action, it is not without limitations. First, it cannot tell a manager how many social or commercial projects to pursue. It can only offer guidance regarding existing social projects. Second, it is an internally focused measure and does not emphasize transparency with external stakeholders. Although an enterprise is free to share any insights it wishes with the public, an SPG analysis requires more familiarity with a firm’s social projects than most external stakeholders possess. Third, the SPG is only as good as the data used to construct it. For example, it may not always be possible to gather data on all factors considered relevant for the Outcome Clarity construct. While the SPG would still be

useful for social project assessment with a less robust consideration of Outcome Clarity, the more inclusive the Outcome Clarity measure, the more powerful the overall model.

FUTURE CONSIDERATIONS FOR SOCIAL PROJECT MANAGEMENT

With demand for social responsibility increasing, all forms of enterprise can expect to perform more social actions in the future. Business success will depend heavily on how well these projects are executed. Yet, social project execution is a complex phenomenon, requiring a deeper and broader accounting of outcomes than growth targets and profits can provide. If a commercial project goes right, more profit is made or more growth results; if it goes wrong, another commercial project could easily produce the targeted profit or growth rate. If a social project goes right, society or the environment gets better; if it goes wrong, society or the environment suffers, with no guarantee of an easy fix. To ensure consistent, continuous social improvement, both commercial and social enterprises need new management perspectives and standards.

By integrating Outcome Clarity with traditional efficiency assessment, the SPG offers a new way to manage social projects. Not only can managers better allocate their attention to poorly performing social projects but they can also build on commonalities from well-executed projects to establish a unique and lasting social legacy. In addition, the SPG can be custom-built into a spreadsheet or other digital application so that

managers can more expediently consider the efficiency and effectiveness of their social projects on a regular basis.

Rather than copy competitors or respond to the whim of stakeholders, managers can use the SPG to identify core strengths and weaknesses in their social performance. Because well-executed projects have clear outcomes and efficient practices, they can be used to shape a coherent social strategy, or at the very least, support improved cause-marketing efforts. Poorly performing projects can be used to highlight incoherent efforts and improve strategic planning. For example, consider Sketchers' shift from replicating TOMS efforts to donating a portion of its BOBS shoe's sales to stopping euthanasia in animal shelters (Abbott, 2015). An assessment of Outcome Clarity and Resource Use would go a long way in helping determine whether this new project is likely to bring the CRM success Sketchers' seeks. Rising expectations for increased social action bring a corresponding pressure to manage those actions well. It is hoped the SPG will help managers of all enterprise types better plan and execute their social projects.

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NOTES

¹Social Enterprises are organizations whose main purpose is to benefit society and/or the environment. This business form includes B-corps, cooperatives, and fair-trade organizations. Depending on its legal form, a Social Enterprise may or may not need to produce profit, but surpluses are needed long-term for organizational sustainability.

²Commercial Enterprises are organizations whose main purpose is to make a profit, including sole proprietorships, limited liability companies, and corporations. While not prohibited from performing social actions, Commercial Enterprises put the pursuit of profit above other considerations.

³Also known as ABC Analysis, Selective Inventory Control relies on the Pareto Principle to categorize inventory items according to their dollar usage amounts. Type-A items have the highest dollar usage amounts, and need more frequent managerial attention to ensure they are always available for sale. Type-B items have moderate dollar usage amounts and require more attention than Type-C items, which have the lowest dollar usage amounts, and are the least critical for sales (Krajewski, Malhotra, and Ritzman, 2015).

ABOUT THE AUTHOR

Dr. Massetti is an Associate Professor of Management in the Tobin College of Business at St. John’s University. Her Ph.D. is from the Florida State University and her research focuses on social enterprise, seeking to help organizations of all forms better execute their social actions.