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Management Control and Social Entrepreneurship on Rural Community Development in Indonesia

Agung Praptapa
Senior Lecturer, Faculty of Economics and Business, Universitas Jenderal Soedirman, Indonesia
Mohd. Azlan B Yahya
Senior Lecturer, Graduate School of Business, Universiti Utara Malaysia, Malaysia
Norfaiezah Binti Sawandi
Senior Lecturer, School of Accountancy, Universiti Utara Malaysia, Malaysia

Abstract:
This paper explores how social clubs such Rotary Club participates in community development in rural areas. Synergizing the members with various backgrounds is a challenge in most clubs. The problems arise are: how background variations of the members are synergized in the club and what kind of control is effective to ensure that the club mission can be accomplished.
Qualitative research that uses ethnography to study the problem was conducted. Participant observation and in depth interview are the main data collection methods. Three Rotary clubs in the city of Purwokerto, Indonesia are chosen as the case.
The result shows that background variations of the members influence the kinds of community development chosen as the focus of club activities. Club rules and codes of conducts of Rotary clubs are effective to control the clubs. People control, action control, and result control are used to ensure that the club goals can be accomplished.

Keywords: Community Development, Rural Development, Social Entrepreneurship, Control System, Rotary Clubs.

1. Introduction

Community problems are not only the responsibility of government or local government but also the responsibility of all elements of society. Indonesia, a country with the population of 252 million people (BPS, 2014), has many community problems such as poverty, vulnerability, inequality of income and opportunity, and access to basic services such as education, health, water and sanitation, and electricity (World Bank, 2014). Some social organizations in Indonesia or even international social organizations voluntarily participate in developing communities to resolve or at least lessen those community problems. One of those social organizations is Rotary Club.

Rotary Club is "a grass-roots organization consisting of business professionals and community leaders that volunteer time, talent and resources in order to remedy vital community needs." (Rotary Bondi Junction, 2015). Rotary member belongs to the club (Rotary Club) and the club is part of Rotary International so that the club must follow the rule of Rotary International. Now there are about 1.2 million rotary members around the world (Rotary International, 2015).

The Rotary members have various backgrounds and they must belong to a certain classification that is based on their jobs. Furthermore, in a club there are many classifications of the members. It means that there are many backgrounds of the members in term of the member's job. Due to the wide variation of members (such as professionals, entrepreneurs, government employees, until freelancers), they can be defined somewhat different from other social clubs. Members of the club will employ their entrepreneurial skills and knowledge to deliver social impact to the society. The concept of social entrepreneurship activities in the Rotary Club can be defined in line with the evolution of social entrepreneurship proposed by Alvord, et al. (2004).

This paper will investigate how the background of member's job will influence the performance of the club. To manage the club there must be a leadership style involved and the social entrepreneurship will be the important factor that influences the club performance. Thus, this paper discusses how the members with various backgrounds control the performance.

2. Literature Review

2.1. Social Entrepreneurship

The term of social entrepreneurship as a unique substance concept commonly deals with charity, caring influence, money, loss-profit, source and earth. Light (2006) defines a social entrepreneur as an individual, group, network, organization, or alliance of organizations

that seeks sustainable, large-scale change through pattern-breaking ideas in what or how governments, nonprofits and businesses do to address significant social problems. It is interesting because that is totally different with traditional entrepreneur. Austin and Refico (2009) argue that Corporate Social Entrepreneurship (CSE) is a process aimed at enabling business to develop more advanced and powerful forms of Corporate Social Responsibility (CSR). Meanwhile, Roberts and Woods (2005) assert that social entrepreneurship has a role as bridge to build between enterprise and benevolence. Build from zero, collect from nothing and grow with caring are description of business in social entrepreneurship.

Alavarez and Barney (2007) define that a social entrepreneur may discover or create opportunities. Moreover, Prahalad (2006) explains that independent entrepreneurs as well as corporations can create social ventures. It makes the point that enthusiasm of benefit social is much more important than enthusiasm of individual profits. Social welfare impacts on healthy society so that a member of society is able to effectively improve quality of the household. The World Bank (2003) mentions that services to satisfy the basic human needs, particularly those that contribute to health and education, are failed in terms of access, quality, and affordability for poor people.

Although many researchers have proposed concepts and definition of social entrepreneurship, there are four main dimensions that diversify social entrepreneurship model and commercial entrepreneurship model (Sahlman, 1996): (1) the people and resources; (2) the context; (3) the deal; and (4) the opportunity. The *people and resources* refer to the human and financial inputs that are essential to deliver actions. For the case of social entrepreneurship, this element implies to the incentives and talents to acquire resources. Thus, social entrepreneurship rely much on volunteering activities, fundraising activities, and professional services in the field (Austin, et al., 2006). To fulfill the activities, social entrepreneurs will depend heavily on friends, family, and fools (Rostiani, et al., 2014). The *context* refers to the factors affecting the nature and outcome of the opportunity; for example, the macro economy, tax, and government regulation (Austin, et al., 2006). In harsh economy, social needs may rise. This will also be in line with the increase of the social entrepreneurship activities. The *deal* refers to the beneficial contractual relationships between ventures and resource providers (Austin, et al., 2006). In the social entrepreneurship context, both parties do not have profit orientation. Thus, "deal" in the social entrepreneurial activities is defined as a social contract between the social entrepreneurs and the resource providers upon conveying the resources to the social activity that is assumed to generate values on trust and minimum control (Rostiani, et al., 2014). The *opportunity* relates to the expected future state that is different from present and the assumptions about the feasibility to achieve that state (Austin, et al., 2006). One of the goals of social entrepreneurship is to deliver value to positive changes in a social context. Thus, seeking opportunity in the context of social entrepreneurs is the activity of seeking areas of concerns in the society that the social entrepreneur seizes opportunities on better changes (Rostiani, et al., 2014).

Society culture is major effect in social entrepreneurship roadmap. It is not only about the movement but more about the organization of society to replace the imprecise culture because culture also represents the characteristics of social behavior. Discussing social entrepreneurship, we must look for the main term that is entrepreneurs. Empower is a part of which explores source and opportunity in order to improve social condition. Combined with social, profit, is one of prosperities achieved but social welfare is the main purpose. Scopes of entrepreneurship are owning business, building with own source, creating own market, and being independent in finance. Santos (2009) has also argued that social entrepreneurships usually start with small, local efforts. Furthermore, they often target problems that have a local expression but global relevance, such as access to water, promoting small-business, creation or waste management.

Stevenson (1983; 1985) defines entrepreneurship as the pursuit of opportunity through innovative advantage of resources that for the most parts are not controlled internally. Then, Brodsky (1998) states that entrepreneurs have the ability to take a business to the point at which it can sustain itself based on internally generated cash flow. It clarify that entrepreneurship is different with social entrepreneurship. Grameen Bank Bangladesh is one of examples on how to get profit from the beginning. Muhammad Yunus the founder of Grameen Bank made a social entrepreneurship being new social system welfare. He is a figure who seeks opportunity in private sector. Jerr Boschee and Jim McClurg (2003) assert that a social entrepreneur is any person, in any sector, who uses earned income strategies to pursue a social objective. Moreover, they differ a social entrepreneur from a traditional entrepreneur in two ways, which is social entrepreneurs frequently act in a socially responsible manner while traditional entrepreneurs are ultimately measured by financial results.

The marks of social entrepreneur identification combine non-profit model and profit model. Philanthropy, voluntarism, and government subsidy will not be listed in profit model, but they are specific characteristics in dependency model. The formula accepted in social entrepreneurship with earned benefit is a tool that reaches social activity but is denied in non-profit model; here the sustainability comes into existence. Earned income is main activity in social entrepreneurship but the main purpose is a social welfare. Millennium Development Goals (MDGs) by United Nation comprise eight specific, measurable, and observable goals such as human rights, health, educational, and environmental issues for development and poverty reduction. These make social entrepreneurship be new phenomenon. The improvisation of human rights to acquire welfare equivalence principle is creating multi ideas. Developing every country's resource in accordance with cultural social welfare as an equal welfare is top priority in almost the whole world. Furthermore, Martin and Osberg (2007) define social entrepreneurship as having the following three components: (1) identifying a stable but inherently unjust equilibrium that causes the exclusion, marginalization, or suffering of a segment of humanity that lacks the financial means or political influence to achieve any transformative benefit on its own; (2) identifying an opportunity in this unjust equilibrium, developing a social value proposition, and addressing inspiration, creativity, direct action, courage, and endurance, thereby challenging the stable state's hegemony; and (3) forging a new, stable equilibrium that releases trapped potential or alleviates the suffering of targeted group, and ensuring a better future for the targeted group and even society at large through imitation and creation of a stable ecosystem around the new equilibrium.

Economic, social, and politic are "life" triangle, they are inseparable. If we discuss one of them, other substance will be correlated and the correlation is very tight. Sometimes we create system to access economic but we also build equality of social, how the great policy to economic grows with equality of social. There is oneness. Martin and Osberg (2007) argue that social entrepreneurship attracts growing amounts of talent, money, and attention. Sector's scopes in social entrepreneurship are public sector incorporated with private sector into assessment voluntary sector. They do not unite into one but correlate with each other. The profit is target-oriented in order to build and sustain a social welfare system. Leadbeater in Demos (1997) asserts that trades unions of public sector will object that much of the cost-efficiency of non-government organizations comes from their utilization of non-union, unpaid labors. This objection only goes so far. In many of these organizations staffs are highly professional and paid a rate for the job comparable with the private sector. Private sector is totally business oriented, the essence of Capitalism as profit goods and service oriented, free market, competition, consumer will, and position bargaining of brand. Innovation is a must; it is free world of creation to earn money. Public sectors represented by government have two major roles providing public goods and redistribution to society. Then, nonprofit sector or voluntary sector represented by individual or team or group society should act to achieve social welfare equality. Pro poor is task of volunteers who have concern and empathy to do something in positive way.

Empowerment to active welfare is a way of developing social entrepreneurship. Meanwhile, system is built to activate society and create working group. Society has strategic position as creator, executor, caretaker, and owner. That position makes a culture. Furthermore, society is chance so culture automatically is swipe. Empowerment to build system of social entrepreneurship is inseparable from participatory society appraisal that mobilizes society to build new network, open new source, and link private sector to build new social environment. Creating capital asset in social entrepreneurship from society, by society and for society is new model used by empowerment. Short, Moss, and Lumpkin (2009) describe that the domain of social entrepreneurship is informed by the overlapping of research in entrepreneurship, public and non-profit sectors, and social issues on management. Thus, there are lots of benefits. The society can learn as teamwork, learn about entrepreneur and grow social welfare as well.

Learn from society is spirit of social entrepreneurship. Meanwhile, the implementations are to facilitate social welfare as a volunteer, share between private sector and public sector, increase the sense of social group belonging, and determine triangulation of primary data. The role of entrepreneurs is wide. They do not only build business-oriented activity regardless of environment, but also must build community-based activity. Short, Moss, and Lumpkin (2009) note that community-based enterprises are conceptualized as communities that act corporately as both enterprises and entrepreneurs in order to provide sustainable benefits to individuals and groups. Austin and Reficco (2009) provide key elements of corporate social entrepreneurship such as sustainable environment, the corporate social entrepreneur, corporate purpose that is value-based organizations, value creation, and the double return and co-generating value. Establishing community-based activities with key element as a standard system then facilitated by volunteer from local human resource is one combination of ideal model.

Even after community-based activities created, the flow of demand-supply requirement is fulfilled by the society. The needs provided by community, the system constructed more solidly, and the people concerned will have sense of belonging. The bottom up is ideal procedure because society will create their needs based on utility and effective daily supplying. Society groups, as the central of community-based, are developed using five-stage group development model by Robbins and Judge (2008). First stage is forming stage, then storming stage, norming stage, performing stage, and last is adjourning stage. This group creates some business together with its own resource in order to build financial cohesiveness, grow business sense together with venture capital model into a social investment strategy, and create new model with minimum-risk. Access to market is the basic problem in social entrepreneurship. They do not have capability to create innovation market and they even work in-group, and usually they depend on the government.

2.2. Management of Control for Social Organization
To ensure that the organization is managed well on the track, it needs a right control in social organization. To control means to ensure that organizational strategy is implemented according to the plan. Merchant and Van der Stede (2012) aim to embody the concept of control into three forms of control. They are result control, action control, and personnel control. In addition, Merchant and Van der Stede (2012) develop personnel control into self-control and control among individuals in the organization, which are further mentioned as cultural control.

2.2.1. Result Control
Result control is a system of control to ensure that people within the organization will get result as expected (Merchant and Van der Stede, 2012). In result control, it should be clearly defined what type of result the organization is expected on the organization unit or individuals within the organization. For that reason, performance dimensions should be defined clearly. The clearness of performance dimensions will become a direction for the employees to see what is considered to be important by the firm. Clear performance definition will eliminate the employees' confusions because it has been clear what performance that should be done by either an organization unit or individuals inside the organization.

Besides performance dimensions, it also needs a clear performance evaluation. Thus, every individual has the same point of view on whether the performance of an individual is satisfying enough or not. The research conducted by Bryant, Jones, and Widener (2004) shows that a clear performance evaluation will persuade individuals in the organization to work better.

After the performance dimensions and performance measurements are defined, the next role of control system management is to define a target. Target must be specific in accordance to the performance dimensions. Performance target will influence the employees' behavior in two ways. First, performance target will stimulate actions and increase the motivations because performance target directs the employees and organization unit about what they should perform and prioritize in a certain firm. Second,

performance target enables the employees to understand by nature the performance that they have done. They are able to differentiate performance that they perceive with the performance that has been targeted.

Furthermore, reward and punishment are other important elements on result control. Reward is a positive reinforcement to encourage employees to have an achievement, while punishment is a negative reinforcement that is expected to persuade employees to behave in a certain manner that will avoid them from not being an achiever (Siegel and Marconi, 1989).

2.2.2. Action Control

Action control is a form of control to ensure that employees perform actions advantageous for the firm and avoid actions disadvantageous for the firm (Merchant and Van der Stede, 2007). This control has preventive characteristic, which is to protect unexpected things not to be performed and known in the end of the process. Fixing actions is done as soon as possible when unexpected actions happen. Action control can be done at least by doing four actions, which are behavioral constraints, pre-action reviews, action accountability, and redundancy.

Giving behavioral constraints is a negative form of action control. This behavioral constraint is expected to make employees impossible or hardly perform actions that should not be performed. This constraint may be conducted physically or administratively through a clear authority system.

Pre-action reviews are a form of control through actions before an individual or organization unit conducts a certain action. This review can be in form of formal or informal actions. Formal action may be in form of defining action plan, verbally as well as written, to those who have an authority to make decisions.

Action accountability is one of control systems to ensure that employees are evaluated based on the performance done. To conduct controlling through action accountability, actions that have to be conducted and actions that should not be conducted must be clearly stated. In addition, this action should be communicated to employees in all layers, and afterwards the observation or control on the actions done by employees should be conducted. Good actions should receive rewards, while bad actions should accept punishments.

Redundancy is to position people or equipment more than the minimal needs. When there are employees who cannot conduct their task or there is malfunction equipment, there should be a substitute of employee or equipment so that the firm's operational will not be disturbed. This form of control should always protect the firm efficiency, thus it is unexpected to perform extravagance.

2.2.3. Personnel Control

Personnel control is a form of control that enables individuals to control themselves. This is built from a perspective that basically humans tend to control themselves and motivate themselves. Personnel control is conducted to ensure that employees understand what is expected by the firm. This can be conducted if the firm has qualified human resources. Personnel control is conducted since the recruitment process, job placement, training for employees, and also job design.

To ensure that firm's performance is achieved, employees' needs, level of expertise, and expected personality should be planned carefully. Employee recruitment process and employee placement have to be opened with a clear and proper system.

The appropriate training should be prepared for current employees. Training has an objective to increase the possibility that employees can give a performance as expected and also to prepare themselves for changes in organization. The training program does not have to be in formal form, but it can also be in informal training.

To motivate employees in order to perform as expected, they must have a future assurance in the firm. Therefore, the job design and career path design for employees need to properly and openlyformulate. Good and open employee recruitment system, accurate and open employee placement, enough and qualified training, and also job design and good career design would persuade employees to perform.

2.2.4. Cultural Control

Cultural control is designed to reassure employees to control one another and to give directions and group pressure towards individual that acts inappropriately with the norms and values applied in the firm.

Moreover, cultural control can be conducted through the agreements and understandings on the codes of conduct, through codes of ethics, or through motto or values committed in the firm that should be obeyed and believed by every employee. Another form of cultural control is through group-based rewards, intra-organizational transfers, physical and social arrangements, and tone at the top.

Agreements and understandings on what to perform through codes of ethics, firm's motto, firm's vision and mission, or firm's philosophy aim to make the employees think that they are connected to each other in performing the firm's mission. The clear, simple, and motivating agreements and understandings will engage every employee to unite and conduct their performance according to what it should achieve.

Group-based rewards will invite members of the organization to entice peers in their group conducting together the tasks that are best for their group and also for the firm. Research conducted by Kruse (1992) shows that group-based rewards influence positively motivation and performance.

Job rotation aims to spread positive culture to other employees. Research conducted by Praptapa & Rokhayati (2012) describes that job rotation increases the employees' sense of belonging and enhances the firm's performance as a whole. Besides that, job rotation will also decrease the possibility of cheating conducted by employees (KPMG LLP, 1999).

Room management, term management, clothing rules, and management in dissemination are also effective ways in conducting cultural control. Rooms that enable the employees to work productively will promote the firm's performance. Rooms designed in such way thus between one employee with others can learn and control each other will also promote performance.

Firm's culture highly depends on how the leaders behave. Leaders have to perform good examples because a leader is usually regarded as a model by the employees. Research shows that firm's success starts from the top and fraud occurred in a firm also starts from the top (Jenkins, 2002, in Merchant and Van der Stede, 2012).

3. Research Methodology

This research is an ethnographical research. Ethnography deals with people and it means a description of people. Moreover, ethnography is a way of studying people in the collective sense and in organized, enduring groups, which may be referred as communities or societies (Angrosino, 2007). Furthermore, Angrosino (2007) defines ethnography as the art and science of describing a human group–its institutions, interpersonal behaviors, material productions, and beliefs.

Ethnography can be viewed as a method for collecting data and as a fieldwork (Brewer, 2010), as a written result of fieldwork (Van Maanen, 1988), or even as a synonym for qualitative research (Brewer, 2010). Brewer describes ethnography as a method for collecting data and as a fieldwork with the definition as follows:

> ➢ Ethnography is the study of people in naturally occurring settings or 'fields' by methods of data collection, which capture their social 'meaning' and ordinary activities, involving the researcher participating directly in the setting, if not also the activities, in order to collect data in a systematic manner but without meaning being imposed on them externally (Brewer, 2010, p.10).

In this case study, the researchers act in "participant as observer". The advantage of "participant as observer" is the researcher will obtain key "insider" information, and it enables researcher to validate observation with the participants while observing, interpreting, and recording (Roper & Shapira, 2000).

The researcher is part of the club, which is an organizational member. In the case of Rotary Club, the member of the club is called Rotarian. The researcher is a Rotarian for more than 10 years and while doing the club's activities the researcher observes some aspects of organizational members' behaviors such as leadership style, decision-making patterns, control behavior, and social entrepreneurship style. The last two aspects, which are control behavior and social entrepreneurship style, are the focus of this research.

4. Research Analysis

4.1. Rotary Clubs and Community Development
Rotary clubs chosen as the case are 3 Rotary clubs in the city of Purwokerto, Central Java, Indonesia. They are Rotary Club of Purwokerto, Rotary Club of Purwokerto Satria, and Rotary Club of Purwokerto Hapsari. These three clubs have some characteristics as presented in Table 1.

No.	Club	Membership	Focus of Program
1	Rotary Club of Purwokerto	→ 40 members (28 businesses, 12 professionals) → Previously all men club, now is men and women	1. Health: women health, vaccination 2. Water sanitation in rural area 3. Environment: clean city
2	Rotary Club of Purwokerto Satria	→ 20 members (18 business, 2 professionals) → All men club since erected	1. Education: special education 2. Health: thalassemia, motherhood integrated service (*posyandu*) in rural area 3. Environment: green actions 4. Vocation: training for youth
3	Rotary Club of Purwokerto Hapsari	→ 20 members (12 businesses, 8 professionals) → Previously all women club, now is women and men	1. Women health and nutrition 2. Children health and nutrition

Table 1: Characteristics of the clubs

All clubs have some priorities and all are related to rural community development. There is no program closely related to the members' business since the purposes of being the member of Rotary clubs are not business purposes even though most of the members are businessmen.

Based on the interviews with the Rotary members (called Rotarians) the purposes of joining Rotary Club are as presented in Table 2.

No.	Reasons
1	Friendship
2	Want to help people
3	Want different situation/environment
4	Want to learn from other members
5	New people in town, need friends
6	Want to join well-organized world-wide organization
7	Prestige

Table 2: Reasons of Joining Rotary Club

4.2. Controlling Rotary Clubs

Most of the members of Rotary clubs are businessmen and relatively established in term of economy status. They are independent so there is no "boss-worker" relationship in this club. However, the business level of the member in a certain level has an impact to the "level of influence" to the club, even though it is not dominant. A research participant (here after will be abbreviated as RP) says:

➢ "We here do not dependent to other member even though in term of business some of them are bigger than other member. When they come to Rotary, everybody is the same." (RP 1)

That statement is different from some other research's participants. The RP 2 says that:

➢ "The business level does not directly relate to the level of influence since the position in Rotary Club is rotated every year, but I think indirectly will be yes." (RP 2)

The level of member's influence, according to members participated to this research, will be influenced by personality, tenure in Rotary, position at work, donation habit, and enthusiasm on the project. Therefore, the position at work is not the only one that determines the influence level but work experience is considered as an important factor to build the ability of running the organization. A research participant says:

➢ "Most of us are experienced enough to run the business or work as professional so running the organization in term of member's ability is not questioned. Most members have capability to lead others in the club. The problem is whether or not they have enough commitment to the club's projects." (RP 3)

Other research participant says:

➢ "When someone strives in business, they should strive also in running the club to become bigger and stronger. The problem is whether or not they want to spend enough attention and effort to the club." (RP 4)

Research participants basically agree that the entrepreneurship capability in the job will influence the capability to run the organization, especially to generate club's income. Thus, social entrepreneurship is not only built in the club, but also from experience in the daily job.

The club's president is changed every year. The annual period of the organizer is for all Rotary clubs worldwide. The existing president has a responsibility to find upcoming president. Hence, the organization is invigorated every year. In term of control, this is good since no one has unlimited position.

In Rotary, every year has different "worldwide theme" such us engage Rotary, change lives (2013), light up Rotary (2014), and be a gift to the world (2015). However, the program is independent for each club. The theme is to show the priority and each club can interpret the theme into program that fit to the need of their area.

The three clubs that participate in this research do not determine the program in detail and there is no formal evaluation on the success level of the club. A research participant says:

➢ "In this club, fellowship is the priority. If we have strong fellowship, the program will follow." (RP 5)

In term of control, they apply the loose control for the result control. This is because all three clubs put fellowship as priority.

The four-way test of Rotary is applied for Rotarian worldwide. The four-way test is a moral code for personal and business relationship and is used by Rotarians to guide their actions and decisions. The four-way test of Rotary are: (1) Is it the *truth*? (2) Is it *fair* to all concerned? (3) Will it build *good will* and *better friendships*? (4) Will it be *beneficial* to all concerned?

Therefore, the Rotary four-way test is used in action control. All members embed to the four-way test in their actions and decisions. Members of the club will remind others when their actions and decisions do not comply with the four-way test. Thus, the four-way test built a strong cultural control in Rotary.

Sponsor system is used to recruit member of Rotary Club. It means that to become a member of Rotary Club, one existing member should be the sponsor to recommend the potential member to become a member. No one can become member of the club without a sponsorship from the existing member. All three clubs in this research point out "all members should agree" with the system in recruiting a new member. In other words, the personnel control in Rotary Club is very tight.

5. Conclusions

The background variations of Rotary members influence the kinds of community development chosen as the focus of club's activities. The diversification of background variations delivers positive contribution to the club. This may be one of the factors that influence the quality of contributions offered by the club to social issues that they agreed to focus on. The members of each club share the same mission shown by the focus and the scope of activities that each club agree to do. Due to this matter, the different backgrounds of the members do not indicate a negative impact since each member relatively shares the same "social mission". The shared "social mission" among the individuals can be concluded as the reason of the dedicated social contribution given by members of the clubs.

Unlike the hybrid social entrepreneurs whose activities focus on profit and social values (Davis, 1997), the Rotary Club is proved to only focus on delivering social values.

Club's rules and codes of conducts of Rotary clubs are effective to control the clubs. This reflects that members of the Rotary Club believe in the behavioral and norms cues developed by the clubs. Agreeing the behavioral and norms cues of a club is an important factor to stimulate social entrepreneurship success. On the other hand, disagreement will result in the inability to control, lack of group work, different goals, and different mission of a social entrepreneurial activity (Rostiani, et al., 2014). Thus, the fact that members obey the club's rules and codes of conducts makes the control system able to work effectively. People control, action control, and result control are used to ensure that the club's goals can be accomplished.

Social entrepreneurship is built not only in the club but also at work. This is due to the similar individual belief of each member of the Rotary Club. It argues that there are social problems left unsolved or overlooked by other external parties (such as: commercial businesses, government, and non-government). Creativity and innovation of social entrepreneurial activities will be developed when the individuals of a social group share the same social beliefs (Zahra, et al., 2009). The Rotary clubs that participate in this research apply loose result control, tight action control through the four-way test of Rotary, strong cultural control, and tight personnel control.

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