Social Mission or Revenue Generation?: Challenges and Opportunities in Social Enterprise from Competing Institutional Logics

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SOCIAL MISSION OR REVENUE GENERATION?: CHALLENGES AND OPPORTUNITIES IN SOCIAL ENTERPRISE FROM COMPETING INSTITUTIONAL LOGICS

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SOCIAL MISSION OR REVENUE GENERATION?:
CHALLENGES AND OPPORTUNITIES
IN SOCIAL ENTERPRISE
FROM COMPETING INSTITUTIONAL LOGICS

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Social enterprises are nonprofit, for-profit or hybrid organizations that use business methods to create social change (Dees 2007; Light 2005; Martin and Osberg 2007; Neck, Brush, and Allen 2009;). If it succeeds, the social enterprise model could prove to be a viable pathway to greater social justice in an era of decreasing funding for government services and nonprofits (Emerson and Twersky 1996; Harding 2004; Murphy and Coombs 2009; Wilson 2008). However, skeptics worry that the perils of privatization, bottom-line thinking, and deceptive marketing potentially embodied by the "business methods" that social enterprises employ may undermine the potential of this new approach to solving social problems (Bateman and Chang 2012; Farmer 2009; Nega and Schneider 2014). The three articles that make up this dissertation examined the ways social entrepreneurs perceived and managed tensions between social mission and market institutional logics. Their ability (or lack thereof) to reconcile these contradictory imperatives could contribute to whether social enterprises ultimately succeed or fail as vehicles for positive social change.

Social Entrepreneurs at the Crossroads: Four Approaches to Responding to Dual Institutional Logics suggests that the widely accepted characterization of social entrepreneurs as compassionate individuals motivated to address intractable social problems innovatively (Alvord, Brown and Letts 2004; Lehner and Germak 2014; Mair and Marti 2006; Miller, Grimes, McMullen and Vogus 2012) is simplistic. From in-depth interviews with twenty (inter)nationally recognized social entrepreneurs I derived four distinct categories: Disillusioned Dreamers, Social Capitalists, Do-Somethings, and Bridgebuilders. Half of these respondents did not perceive tensions between logics; another quarter did not wrestle with the tensions they perceived. Only the Bridgebuilders

perceived tensions and then persisted in focusing on both logics and sets of actors to harness synergies. As a result, only Bridgebuilders offer a truly hybrid model for social mission work within the current economic context, whereas the others hew toward a single dominant logic.

One Size Does Not Fit All: Legal Form and US WISEs focuses on work integration social enterprises (WISEs), organizations that address the chronic unemployment of marginalized populations. The data demonstrated that contrary to the expectation that WISEs would exemplify "contested" organizations (Besharov and Smith 2014), eight of the ten WISEs studied did not experience significant conflict between social mission and market logics. Rather, WISEs generally had one logic that dominated their operations: a market logic in for-profit WISEs and a social mission logic in nonprofit WISEs. Workers' employability emerged as an important variable, with for-profit WISEs creating jobs for more employable populations and nonprofits offering job training and "wraparound" services to harder-to-employ populations. Only two WISEs experienced substantial tensions, when social entrepreneurs attempted to prioritize a job training/services mission within a for-profit form. This data demonstrates that a job creation approach aligns best with a for-profit WISE form and a job training/services approach to a nonprofit WISE form. However, neither form has succeeded in creating a system-transforming model that successfully combines revenue generation with a robust training/services/job creation mission. This suggests that breaking traditional nonprofit and for-profit patterns to deliver substantial market and social mission outcomes within a single organization is a significant challenge.

Stakeholder Resistance to Social Enterprise Hybridity examines how social entrepreneurs perceive the support of key stakeholders in their attempts to balance competing social mission and market logics. Despite evidence of social interest in ethical capitalism, this data suggests that well-resourced stakeholders push social entrepreneurs to prioritize price, revenue generation, and measurement. This includes both traditional organizational stakeholders and hybrid-specific stakeholders. Customers and clients demanded low prices and high value. Donors demanded quantification and impact measurement. Investors expected market rate financial return. Finally, social enterprise gatekeeper organizations (fellowship granting bodies) were focused on the market logic

characteristics of sustainability, scale, and entrepreneurial ability, pushing the field toward market logic modes of operating. Social entrepreneurs generally responded by acquiescing to pressure to emphasize a market logic in their interactions. Counter to current literature that suggests social entrepreneurs should problem-solve to avoid single logic dominance, social entrepreneurs generally allowed price, business strategy, competition and measurement to shape their interactions with stakeholders. Given the importance of stakeholder buy-in for organizational legitimacy, the field of social enterprise needs to find a way to create and capture stakeholder support for dual logics rather than depending on individual social entrepreneurs to withstand the push toward marketization.

Overall, despite persistent efforts at creative solutions to social problems by some individuals, the research shows a strong undertow for social enterprises to adopt business logics and business models.

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INTRODUCTION

Social enterprises use business methods to create social change (Dees 2007; Kerlin 2006; Light 2005; Martin and Osberg 2007; Neck, Brush, and Allen 2009; Nicholls and Cho 2006). They are nonprofit, for-profit or hybrid organizations that aim to support marginalized populations without depending on traditional philanthropic or nonprofit funding models. They also aim to address some of the more destructive impacts of rampant capitalism (Boteach and Stegman 2012; Derber 2010; Greider 2010; Klein 2007; Korten 2012; Reich 2015). If it succeeds, the social enterprise model could prove to be a viable pathway to greater social justice in an era of decreasing funding for government services and nonprofits (Dees 1998a; Emerson and Twersky 1996; Harding 2004; Murphy and Coombs 2009; Wilson 2008). On the other hand, skeptics worry that the perils of privatization, bottom-line thinking, and deceptive marketing potentially embodied by the "business methods" social enterprises employ may undermine the potential of this new approach to solving social problems (Bateman and Chang 2012; Dart 2004; Farmer 2009; Nega and Schneider 2014).

Given the debates in the literature, this study focuses on the ways social entrepreneurs perceive and manage tensions between social mission and financial goals. Their ability (or lack thereof) to reconcile these contradictory imperatives determines whether social enterprises ultimately succeed or fail as vehicles for social justice.

The Social Enterprise Trend

Studying social entrepreneurship is a growing trend in academia and society at large. At least three journals have been founded in the last eleven years to deal exclusively with the phenomenon. Over 150 US campuses offer courses in the field of social enterprise. Many of the universities offering courses nationally have also banded

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together into a global network called "Ashoka U" (Wells 2014). Conferences such as the now 13-year old Stern-NYU conference facilitate the exchange of scholarly information. Inc. and Fast Company magazines recognize successful social entrepreneurs, as do more established media outlets such as Forbes and Bloomberg Business. Incubators and accelerators tailored specifically to young people who want to "turn unreasonable thinking into unreasonable doing" offer boot camp style programs (such as the Unreasonable Institute and Root Cause) for those hungry to make a difference but uninspired by traditional career choices. Several large fellowship-granting organizations offer significant funding and in-kind resources to successful candidates, along with access to alumni networks, including the Skoll, Schwab, Omidyar, and Draper Richards Kaplan foundations as well as Echoing Green and Ashoka. Legal frameworks have evolved as well; those who found social enterprises can now adopt new legal forms in some states (the L3C, benefit corporation) or apply for certification proving they meet social value creation goals and metrics (B-Corps).

Despite its ubiquity, the term "social enterprise" can be a struggle to define. Indeed, much of the early literature on social enterprises and social entrepreneurship focused on defining the phrase. Social entrepreneurs became the focus, defined as "catalytic" (Waddock and Post 1991), mission-driven, persevering social change agents (Anderson 1998; Dees 1998; Martin and Osberg 2007). One debate in the literature focused on which activities performed by these individuals constituted social entrepreneurship. Martin and Osberg (2007) argued that social entrepreneurs and their social enterprises were different from people and organizations that provided social services or engaged in activism. Others argued that social entrepreneurs and social enterprises combined service provision, activism, entrepreneurship, and other types of activities (Neck, Brush and Allen 2009). Those involved in Work Integration Social Enterprises argued that basic service provision, as long as it was directed toward marginalized populations, was social enterprise (Cooney 2013) while other scholars claimed that opportunity recognition and innovation were required to distinguish social from non-social enterprises (Lumpkin, Moss, Gras, Kato and Amezcua 2013). A second debate related to the legal structure of a social enterprise. The argument for an inclusive definition that incorporates for-profit and nonprofit enterprises as well as hybrid forms of

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organization (Battilana and Dorado 2010; Battilana, Lee, Walker and Dorsey 2012; Waddock and McIntosh 2011) won over a more exclusive definition that restricted the legal form to nonprofit or limited profit enterprises. Regardless of the nuances to which one subscribes, currently and broadly speaking, social enterprises are organizations that combine a focus on a social mission with business strategy.

It can be as difficult to name a social enterprise as to define it. Well-known examples stand out. The Grameen Bank is a social enterprise often used as an exemplar. Founded by Nobel Prize winner Muhammad Yunus, it popularized microfinance, the loan of small sums of money primarily to poor women to develop small businesses while embedding them in peer "solidarity" groups that ensure loan repayment. charity:water (a nonprofit that works with local partner organizations to provide clean water solutions in poor villages that are maintained long-term by local stakeholders), and Better World Books (a benefit corporation that invests in literacy through the sale of used books online) are both well-known social enterprises, as are KIPP, Engineers Without Borders, Terracycle, Acumen Fund, Root Capital, Room to Read, and Barefoot College.

There are many less well-known but equally interesting examples. Sword & Plough is a quadruple bottom-line for-profit social enterprise: it aims to create jobs for military veterans (people), reduce military waste (planet), foster civilian-military dialogue (purpose), and donate ten percent of profits to veterans' causes (profit donations). To do so, it uses military canvas destined for the trash to create tote bags— sewn by veterans and with the aim of being a conversation starter. Moneythink's social mission is to teach financial literacy to poor students by using cell phone apps to help them track their spending along with more traditional budgeting lessons offered by college volunteers. Moneythink is funded by donor dollars, much of which they solicit from big banks. It also plans to develop a proprietary app that it could sell for income. Marcie Muelhke founded Celia Grace when she could not find a "green" wedding dress for her own ceremony. She hires local refugee women to sew the dresses from silk she has purchased from women's cooperatives in Asia and lace tatted in the southern United States. Welcoming America, a social enterprise now consulting to the White House, aims "to flip immigrant integration on its head," shifting the system from a focus on newcomer integration to one on local creation of welcoming communities.

Whether for-profit or nonprofit, focused on poverty, health care, education or the environment, all of these organizations use business strategies to address significant social problems. Common threads among these social enterprises include proposing innovative ideas and putting those ideas into action, promoting dialogue and collaboration rather than advocacy or confrontation, and generating revenue at least in part through sales.

Stuck or Soaring at the Intersection of Social Mission and Market Logics?

Social entrepreneurs often receive uncritical attention for the work they do to address complex social problems. For example, in describing social entrepreneurs in the New York Times, Nicholas Kristof wrote, "Passionate individuals with great ideas…chip away at global challenges" (2010: para 7). Social entrepreneur guru David Bornstein wrote that "Social entrepreneurs are the driven, creative individuals who question the status quo, exploit new opportunities, refuse to give up—and remake the world for the better" (2004: 15). These are optimistic statements. Yet when confronted by both financial and social mission driven imperatives, what are the challenges and trade-offs that social ventures face in delivering their solutions? And, in the face of these challenges, do social ventures remain true to their social missions?

The presence of differing existential philosophies is discussed in social entrepreneurship literature using an institutional logics framework. Institutional logics are sets of practices and beliefs that drive modern institutions (Alford and Friedland 1985). Of the five main institutions in contemporary society—the capitalist market, the bureaucratic state, democracy, the nuclear family and religion (Friedland and Alford 1991)[1]—each has its own organizing principles that provide constituents with a sense of purpose and explain "the way a particular social world works" (Jackall 1988: 118). Individuals create and recreate these complex sets of norms and rules to make behavior

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[1] Alford and Friedland (1985) described capitalism, bureaucracy and democracy as different perspectives on and modes of inquiry into the concept of the state, and subsequently built on their theory (1991) to describe the five dominant logics cited above. Thornton (2004) revised their five dominant logics into six—the market, the corporation, the professions, the state, the family and religions—to indicate that "democracy" and "bureaucracy" conflated ideology (democracy) and means of organization (bureaucracy), characteristics related to several institutions.

predictable (Jackall 1988). Social enterprise is located at the intersection of two logics: social mission (parallel to democracy in the above framework) and market logics.

According to Alford and Friedland, the market logic is one in which private production and market control are institutionalized into as many human activities as possible (1985: 429); Boltanski and Thevenot (1991) described it as the logic of money, management and business strategy, embodying profit and competition, and commercial relationships between people. From a practical perspective, for-profit companies exemplify the archetypal market or business logic through their focus on client service, revenue and profit. A market logic promotes a focus on salesmanship and service delivery, fiduciary responsibility, is constrained by scarce client attention and resources, and is organized around sales cycles, client expectations, business plans, and sales brochures (Billis 2010; Doherty, Haugh and Lyon 2014; Jay 2013). In contrast, a social mission logic is one in which individuals require citizenship, participation and decision-making rights (Alford and Friedland 1991). Boltanski and Thevenot (1991) described it as the logic of social contracts, solidarity and respect within the context of a welfare state. From a practical perspective, the archetypal social mission logic is exemplified by nonprofit organizations, with a focus on mission, public service and solidarity. It promotes collective action and education, is guided by the normative expectations of stakeholders, is funded by donations, and is organized around grant funding cycles (Billis 2010; Doherty et al. 2014; Jay 2013).

In theory, neither logic is given priority in social enterprise; rather, social enterprise is located at the intersection of these two organizational "drivers." However, Smith and colleagues (2013) list numerous tensions that will emerge between social mission and market logics, including organizing tensions from divergent internal structures and processes and belonging tensions from divergent subgroup identities. Boltanski and Thevenot were definitively negative, writing that while some logics might coexist, conflicts between social mission and market logics would be irresolvable. "Compromise with the business world and the civic [social mission] world seems impossible" (1991: 337).

Social entrepreneurship research has work to do to address questions related to dual logics sufficiently. Scholarship progressed from definitional debates in the early

decades of research to topics such as innovation in poor countries (Mair and Marti 2009), socially entrepreneurial communities (Haugh 2007) and impact measurement (Lepoutre, Justo, Terjesen and Bosma 2011). To the extent that studies arose around the fundamental question of how to address challenges resulting from the coexistence of social mission and revenue goals, researchers provided fairly straightforward answers that suggested problem-solving approaches such as engaging an external consultant (Jay 2013), hiring staff carefully (Battilana and Dorado 2010), and creating "spaces of negotiation" to discuss differences (Battilana, Sengul, Pache and Model 2014). While these outcomes provided examples of useful tools, they did not address core issues raised by the overlapping and potentially contradictory logics of engagement. Dacin and colleagues suggested that in cases of co-existing social mission and market logics, further research should investigate whether social entrepreneurs would compromise their social objectives to suit the demands of funding bodies (2011). This question of whether one logic risks subsuming the other is crucial to understanding the potential of social entrepreneurship; in particular, do market imperatives jeopardize social mission achievement? This empirical research study examined the complex dynamics perceived, negotiated and endured by social ventures as they navigated the intersection of financial and social goals.

Why Now?: Social Enterprise as a Modern Phenomenon

Economic sociologists and institutional logics theorists explain that individual and organizational behavior can only be understood if it is situated in its social and institutional context (Polanyi 1944; Thornton and Ocacio 2008). Thus, the hypotheses of this study were rooted in the current economic context of deregulated capitalism, privatization, trade liberalization and low corporate taxation. It predicted that social enterprise would attempt to harness both the business strategies dominant in today's most profitable corporations and the social change goals emanating from the trends of corporate social responsibility (CSR) (Googins, Mirvis and Rochlin 2007; Waddock and McIntosh 2011), conscious capitalism (Williams 2014) and collaborative consumption (Botsman and Rogers 2010; Schor and White 2010). However, given the power and predominance of neoliberal trends in the current global order (Hartwich 2009; Klein 2007; Korten 2012), it also predicted that a market logic would dominate social enterprise

operations at times when it conflicted with a social mission logic. While social entrepreneurship has developed as one response to the consolidation of the power of global capital and rebels against some of its conditions, it also harnesses the processes and resources of the current economic order enough that it becomes dependent on them for survival. The neoliberal context has created the perfect storm of forces for social enterprise to arise and thrive.

On the one hand, social enterprises make use of current global economic trends that allow for innovation and social value creation. First, the pace of change has sped up and business and communication technologies have developed rapidly. Many businesses therefore are adapting and responding to changing demands much more quickly than they used to, moving capital, setting up and dismantling production systems, and adjusting supply quickly based on demand (Friedman 2012; Greider 2010; Klein 2007). Social entrepreneurs harness the power of globalization to create social change anywhere in the world they detect a problem, often leveraging technology in order to work quickly, cheaply, and innovatively (Zahra, Rawhouser, Bhawe, Neubaum and Hayton 2008). Second, national and international tax systems have developed in which corporations get significant tax breaks for philanthropy or "impact investment" (Derber 2010; Korten 2012). Social entrepreneurship is a vehicle for corporate donations or investment, and social entrepreneurs make substantial use of corporate philanthropic dollars as seed funding (Seelos and Mair 2005). Third, in an era when many consumers and shareholders are pushing corporations to become more accountable for their social impacts, which has led to the mainstreaming of corporate social responsibility and triple bottom line mandates (Googins, Mirvis and Rochlin 2007; Waddock and McIntosh 2011), social enterprises can access significant corporate funding as a way for corporations to realize their social goals.

On the other hand, these characteristics leveraged by social entrepreneurs are also direct results of a neoliberal economic order that has perpetuated the social and environmental problems that social entrepreneurs address (Alderson 1999; Boteach and Stegman 2012; Korton 2012; Reich 2011). The conditions that have allowed for the rise of social entrepreneurship—globalization including communication and technological innovations, reduced taxation and lax regulation, and corporate funding of social goals—

are conditions related to the rise of market reforms that were concurrent to the dismantling of government institutions, welfare services, and the rise of individualism into arenas previously dominated by the state such as health, education and labor relations (Boas 2009; Kozol 2012; Pizzigati and Collins 2013). While social entrepreneurship addresses pervasive social problems such as inequality and poverty, it uses market tools within a neoliberal framework to do so. As Gregory Dees wrote, "For social entrepreneurship to flourish, we need public policies that recognize and deliberately harness its potential. These policies should free social entrepreneurs to innovate and experiment, manage the risk of their experimentation, encourage private investors to support this activity, and allow those involved to reap appropriate rewards for their success" (2007: 29). This description parallels descriptions of any high-tech or start-up entrepreneur taking advantage of the current business context. While social entrepreneurs are often celebrated as heroic individuals, I would argue that rather than a courageous reaction to social ills, social enterprise has arisen out of a necessity to fix the problems that have resulted from neoliberalism, using the tools of neoliberalism, in a form accepted by neoliberalism. One might even wonder if social enterprise is the preferred method of social welfare provision of neoliberals since it takes care of the poorest without challenging the structures of inequality and depends on consumer dollars and corporate philanthropy. The result, I predicted, would be the dominance of market goals over social mission goals if and when these two logics conflicted.

The Researcher's Standpoint

Smith (1987) and Haraway (1988) discuss how where we stand in relation to those we study shapes how and what we see during the research process. I remained conscious of the experiences that shaped my approach to my research questions, and conscientious about the lenses I used to understand and situate the knowledge shared with me.

Three paths led me to this topic. The first was a disciplinary path. I have an interdisciplinary background, but social entrepreneurship brings these disciplines together. I have a background in conflict resolution and negotiation; I am a student of sociology; and I was a lecturer at a business school. My conflict resolution background

makes sites of inherent conflict of interest. My sociological self is passionate about social problems and systemic transformation towards justice. The business school where I worked was investing significant resources into the idea of business adopting social, environmental and economic responsibility (or SEERS) for global issues. Thus social entrepreneurship brought together my disciplinary interests and raised questions that intrigued me. The second path was an ideological one. I was cynical about the "business methods" used by social entrepreneurs, as the economic system in which I have grown up has increased the inequality and suffering around us, not solved it. And yet, there was vibrant energy directed to social causes among the social enterprise faculty and students with whom I talked. Thus social entrepreneurship brought together my deep-rooted skepticism about 21st century capitalism with my curiosity about new ways to engage students in social justice.

The third path arose from early experiences exploring social entrepreneurship. My initial investigations into the phenomenon took me to two conferences. The Ashoka U Exchange was dominated by the paradigm of the social entrepreneur as nonprofit "changemaker." Discussion centered around causes and passion, embodying a sense that "if you pursue your passion the money will follow." The culminating event was a TEDx talk where social entrepreneurs delivered motivational speeches to the audience. Conversely, Harvard Business School's Social Enterprise Conference (SECON) was dominated by the paradigm of the savvy startup entrepreneur. This conference centered on financial themes, with conversations about potential funders, financial instruments and tools, scaleability, and networking with investors. The culminating event was a pitch competition in which winners were offered cash injections into their social enterprises. These two conferences, both on social enterprise, had entirely different focuses: one on social mission, the other on market mechanisms. How were both sets of participants "social entrepreneurs"? How were Ashoka participants different from traditional nonprofit actors and SECON participants from start-up founders? How could a model based on cause and passion survive in competition with one aggressively seeking investment for sustainability and scale. Furthermore, could any of these ideas address intractable social issues in a way that previous efforts had not? Dacin and colleagues'

question echoed: will social entrepreneurs compromise their social objectives to suit their funders? Would a market logic dominate or dilute the social goals of social enterprise?

Awareness of my own ideological predispositions and my privilege in relation to social problems has been an important aspect of conducting this research project with integrity. My position has been a motivating force, pushing me to explore these questions and to persevere. However, I also had to remember to acknowledge my cynicism and leave it aside at times when exploration and interviewing required open curiosity rather than closed-minded certainty and when data contradicted my skepticism by presenting a nuanced landscape of actors and actions. When narrow-minded judgment did creep in, conversations with people more astute and experienced than I were invaluable.

Methodological Considerations

To investigate these questions, I followed Boltanski and Thevenot's suggestion to look for conflicts between institutional logics to understand their relative power. Opposing logics tend to be most obvious when they are in conflict, since individuals use these logics to devise justifications for their positions (1991: 25). Thus this study used in-depth interviews with social entrepreneurs in which I asked them not only about their motivations and organizations in general, but more specifically about what tensions they faced, what conflicts resulted, the dynamics they perceived and the trade-offs they made.

Given the vagueness around what counts as a social enterprise, I made two sampling decisions. First, I employed the broad definition of "organizations that use business methods for social change." In part this choice was a practical one. Social venture funders and other related organizations employ a broad definition and support a wide array of organizational forms and purposes, and those who self-identify as social enterprises embody varied forms and purposes. I wanted my parameters to emulate the reality on the ground. Also, I wished to explore the tensions that social enterprises experienced between logics, and I hypothesized that for-profit and nonprofit social ventures would experience these tensions differently. Including several organizational forms and purposes would allow me to compare multiple cases. Second, I applied several theoretically-derived criteria to constrain my sample (Patton 1990). One criterion was to include only social enterprises in my sample that had been awarded a fellowship by

nationally- or internationally- recognized social enterprise fellowship funding organizations or received a competitive spot at an accelerator or incubator. I called this technique the "gatekeeper criterion;" since a major gatekeeping organization in the field had validated the organization as a social enterprise, it had garnered legitimacy from a field leader and thus "counted." Furthermore, I applied criteria to increase the chances that respondents would have experienced tensions between social mission and market logics so that I could explore thoroughly their perceptions of this experience. As a result, I selected only social enterprises that addressed economic development/poverty alleviation, since as their social mission these organizations were trying to increase the market opportunities of their beneficiaries. Also, organizations were 2-7 years in age, at period which one respondent referred to as the "funding valley of death," since they were too old to receive seed funding but too young to be considered a "sure bet" by investors. I also included only those organizations that were US-based and US-focused, in order to enhance my ability to make comparisons.

I conducted in-depth interviews with twenty-four social entrepreneurs and four high-level decision-makers at fellowship foundations. Each interview lasted between 60-150 minutes. To uncover themes, this research used a grounded theory approach to understand respondents' perceptions of their interactions with stakeholders. It did not set out to measure the presence of market and social mission logics, but to determine how respondents viewed and experienced the multiple forces at work within their social enterprises (Charmaz 2006; Cresswell 2013). As such, interviews were coded using a grounded approach to identify broad themes guided by the research questions (Charmaz 2006; Miles and Huberman 1994). Subsequently, all material related to each theme was aggregated and recoded for sub-themes in order to elucidate within-case and cross-case patterns (Miles and Huberman 1994). Interviewing, coding and analyzing were iterative processes. I also wrote memos to refine codes and field notes to elaborate on themes, questions, and insights (Miles and Huberman 1994).

I followed in the interpretive tradition of knowledge-building, which is based on the social meanings actors assign to their interactions (Nielsen 1990: 7). It assumes that organizational actors actively create the reality they inhabit, and that individual members create frames of reference that they share through these social interactions (Berger &

Luckmann 1967; Isabella 1990; Neilsen 1990; Weick 1979). I took a phenomenological epistemological perspective to capture this lived experience of individuals (Schutz 1967). Phenomenology asserts that what is true is "the simple sense perception of something" (Heidegger 1996: 25). It is a qualitative sociological approach to investigation that suggests that reality is what exists in human consciousness. It is only through the sensation of human experience that phenomena become part of one's reality. A phenomenological perspective emphasizes "understanding social phenomena from the actor's own perspective" and acknowledges that the salient reality is what "people perceive it to be" (Taylor and Bogdan 1984: 1-2). Both the interpretive tradition and phenomenology understand that different social actors may understand social reality differently, producing different meanings.

Taking a phenomenological approach to my work constituted trying to understand what experiences of tension between market and social mission logics meant for the various people I interviewed. I strove to understand the experience from the perspectives of multiple actors. Phenomenology was a particularly relevant theoretical framework for my research as different actors had differing interpretations of experientially shared phenomena such as the presence of multiple institutional logics (Schutz 1953; Heidegger 1996).

Three Articles – Three Levels of Analysis

Each of the three following articles addresses questions around institutional logic conflicts and trade-offs from a different level of analysis: individual, organizational, and systemic. Together they offer a nuanced perspective on the capacity of social enterprise to deliver social justice and systemic transformation.

An Individual-Level Perspective – "Social Entrepreneurs at the Crossroads: Four Approaches to Responding to Dual Institutional Logics"

Social entrepreneurship literature suggests that social entrepreneurs are compassionate individuals with entrepreneurial orientations motivated to address intractable social problems innovatively (Alvord, Brown and Letts 2004; Arend 2013; Austin, Stevenson and Wei-skillern 2006; Barendson and Gardner 2004; Lehner and

Germak 2014; Mair and Marti 2006; Miller, Grimes, McMullen and Vogus 2012; Van de Ven, Sapienza and Villanueva 2007). However, this study suggests that motivation is more nuanced. I derived four unique categories of social entrepreneur, each driven by a different motivation. Disillusioned Dreamers were motivated by frustration with the traditional nonprofit system. Social Capitalists were motivated to engage in ethical capitalism. Do-Somethings were motivated to engage immediately and directly in solving social problems. Bridgebuilders were motivated to bring together social mission and market actors for social change. While each of these motivations related generally to alleviating social problems and social exclusion, each category of social entrepreneur operated from a specific ideology that resulted in their attachment to either a social mission or market institutional logic.

The findings suggest that not all social entrepreneurs perceive tensions between logics. Of those that do, many do not wrestle with those tensions but rather defer to one institutional logic as their guide. Only one group, Bridgebuilders, perceived tensions and in the face of these tensions persisted in focusing on both logics to harness synergies. Furthermore, whether and how social entrepreneurs perceived logic tensions, and whether they responded to those tensions, related to their initial motivations to become social entrepreneurs. Bridgebuilders stood out as exemplifying the ideal of the social entrepreneur. Whereas the majority of social entrepreneurs fell back on the mandates of one logic or the other, Bridgebuilders combined both social mission and market logics in their intentions and operations. This makes Bridgebuilders significant role models for the field of social enterprise. Since they were motivated to enhance each logic by intermingling it with the other, they constantly noted and managed tensions with the goal of greater synergy. As a result, Bridgebuilders may offer the best hope of creating social enterprises as a new approach to achieving social justice in an era of privatization and reduced government funding for social mission-related work. They maintained their focus on social mission and funding goals, overcoming Boltanski and Thevenot's (1991) assertion that irresolvable conflicts between the two would arise if both were priorities.

An Organizational Level Perspective – "One Size Does Not Fit All: Legal Form and US WISEs"

This article addressed a subset of my sample, focusing on work integration social enterprises (WISEs), organizations that address the chronic unemployment of marginalized populations. The data demonstrated that contrary to the expectation that WISEs would exemplify "contested" organizations (Besharov and Smith 2014), eight of the ten WISEs did not experience significant conflict. Rather than embodying two equal and coexisting institutional logics that made conflicting demands on the social enterprise, WISEs generally had one logic that dominated their operations, a market logic in for-profit WISEs and a social mission logic in nonprofit WISEs. Beneficiaries' employability emerged as an important variable, with for-profit WISEs creating jobs for more employable populations and nonprofits offering job training and "wraparound" services to harder-to-employ populations. Significant tensions were experienced only in two WISEs, where social entrepreneurs attempted to prioritize a job training/services mission within a for-profit legal form. These two WISEs were structured to focus on customers and profit for survival, but the social entrepreneurs instead focused on beneficiaries and public service. Tensions arose between the high cost of services and insufficient revenue and threatened the existence of both organizations, as they could not survive without sufficient profit from sales or investment. In these two cases, the tension became so significant as to lead to a "re-formulation" of the WISE away from a for-profit model to prevent organizational demise.

On the one hand, this study suggests that a job creation approach aligns best with a for-profit WISE form and a job training/services approach to a nonprofit WISE form. The old adage of fitting form to function holds true. In the case of WISEs, for-profits successfully hired marginalized populations and nonprofits prepared them for these jobs. On the other hand, while both for-profit and nonprofit WISEs embody both social mission and market logics, neither has necessarily succeeded in creating a system-transforming organization that brings the archetypal market model of the for-profit together with the more robust social mission of training/services/job creation. Rather, the two cases in this study that attempted this combination had to "re-formulate" to survive. This study suggests that breaking traditional nonprofit and for-profit patterns and generating robust market and social mission outcomes within one organization is challenging—more challenging than this sample of WISEs could handle.

A Systemic-Level Perspective – "Stakeholder Resistance to Social Enterprise Hybridity"

This article shifted from social entrepreneurs to key stakeholders—those who control resources—to examine how they support or hinder social entrepreneur attempts to balance competing logics. This data suggests that key stakeholders are resisting the shift toward dual institutional logics, and pushing social entrepreneurs to prioritize the revenue generation and business strategy encompassed by a market logic. This includes both traditional stakeholders such as customers and donors, and hybrid-specific stakeholders such as fellowship-granting foundations and impact investors. While social entrepreneurs attempt some combination of revenue generation and social mission goals, they are prevented from combining these logics easily because the stakeholders with whom they interact appear to look for and reward a focus on market logic priorities. Customers and clients demanded low prices and high value. Donors demanded quantification and impact measurement. Investors—both venture capitalists and impact investors—expected market rate financial return.

Finally, gatekeepers also were focused on the market logic characteristics of organizational sustainability, scale, entrepreneurial ability and quantification, pushing the field toward market logic modes of operating. Social entrepreneurs generally responded to stakeholder resistance to hybridity by acquiescing to pressure to emphasize a market logic. Counter to current literature that suggests social entrepreneurs should problem-solve to avoid single logic dominance, social entrepreneurs described their actions as dominated by market logic considerations; they allowed price, value, business strategy, competition, and measurement to shape their interactions with customers and funders. As well, those respondents who discussed impact investors appeared baffled by their resistance and generally avoided them. Given the importance of stakeholder buy-in for organizational legitimacy, the entire field of social enterprise needs to find a way to create and capture stakeholder support for dual logics rather than depending on individual social entrepreneurs to withstand the push toward marketization.

Broad Themes Introduced

When taken together, the three articles share several broad themes that emerge in response to questions around conflicts between social mission and market logics and the capacity of social enterprises to address social problems. They include: a) an "absence" of tensions; b) the pervasiveness of the market logic; c) nonprofit/for-profit fissure; and d) outliers as different eggs in a social mission basket. These will each be addressed further in the dissertation's conclusion.

Broadly speaking, privileging a market logic over a social mission logic is not inherently bad. As gatekeepers, funders, and social entrepreneurs themselves point out, revenue is entwined with social mission achievement. Social enterprises require resources to survive, which is necessary for keeping the good work going. And even more money is required to enable an organization to grow or scale, which is necessary for reaching more people or supporting more impactful systemic transformation. However, generating income to support a social mission does not necessarily equate with a deep commitment to that social mission nor does it ensure that the social mission is robust or enacted with integrity. Social entrepreneurs who manage to prioritize social mission in their interactions with stakeholders discuss the importance of integrity, genuineness, and laser focus on social mission, sometimes at the expense of funding. These qualities of the social mission logic may be lost easily when a social entrepreneur emphasizes a market logic in their motivation to engage in social entrepreneurship, in their internal organizational operations, or in their interactions and relationships with stakeholders.

If social entrepreneurs and their stakeholders insist on the need to focus on business practices at the expense of social mission commitment, there are risks for the field. Gatekeepers may push the field towards one that prioritizes a market logic by focusing on these skills in the participants they select to become field leaders. Or, social enterprises may increasingly develop their business-like nature, de-emphasizing their social mission, in order to gain stakeholder recognition or customer loyalty. Furthermore, a rigorous focus on measurement as the means to gauge impact may actually contribute to the increase of market behaviors of commercialization and quantification at the expense of the social mission logic as social entrepreneurs try to find the numbers to demonstrate success easily. Continued work to equip social entrepreneurs with the skills to identify and address logic conflicts through a dual logic lens, and to educate stakeholders on how

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to support the field, will help protect its integrity. Otherwise, the risk is that the social mission logic will be subsumed by the market logic and that social enterprises will compromise their social objectives to serve market priorities.

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SOCIAL ENTREPRENEURS AT THE CROSSROADS:
FOUR APPROACHES TO RESPONDING TO DUAL INSTITUTIONAL LOGICS

Introduction

Social ventures are projects that use business methods to create social change (Dees 2007; Kerlin 2006; Light 2005; Martin and Osberg 2007; Neck, Brush, and Allen 2009; Nicholls and Cho 2006). They aim to support marginalized populations without depending on philanthropic or traditional nonprofit funding models. Thus social ventures rely on two equally fundamental yet distinct logics: to generate revenue and to achieve a social mission. This article explores how a sample of social entrepreneurs experiences the tensions between social and financial goals and what they do, effectively or ineffectively, to resolve them.

Examples of social ventures that use market mechanisms to achieve a social mission exist at the local, national and international level. Sword and Plough, a company based in Massachusetts, makes backpacks from recycled military canvas. Their mission is fourfold: to maintain an environmentally friendly supply chain, hire unemployed veterans, pay fair wages, and increase dialogue across civilian-military boundaries (Brady 2013). In India, Aravind Eye Care applies a sliding scale payment system to a highly standardized approach to cataract surgery. They have performed over 2.5 million operations and treated two thirds of their 20 million patients for free as wealthy clients subsidize the poor (Matalobos, Pons, and Pahls 2010). At the global level, Aflatoun is an international nonprofit that used an innovative social franchise model to increase the reach of its children's financial literacy program from 162,000 in 2005 to two million in

2014 (Amar and Munk 2014). Each of these social ventures uses innovative funding mechanisms to support their social change work.

If the social venture organizational form succeeds, it could prove to be a viable path to greater social justice in an era of decreasing funding for government services and nonprofit work (Dees 1998a; Emerson and Twersky 1996; Harding 2004; Murphy and Coombs 2009; Wilson 2008). On the other hand, skeptics worry that the perils of privatization, bottom-line thinking, and deceptive marketing may undermine the potential of this new approach to solving social problems (Bateman and Chang 2012; Dart 2004; Farmer 2009; Nega, and Schneider 2014). How social entrepreneurs perceive and manage tensions between social mission and financial goals may contribute to whether social ventures ultimately succeed or fail as vehicles for social justice.

This research extends the investigation into how social entrepreneurs perceive and manage multiple logics by analyzing social entrepreneur behavior through the lenses of both motivation and institutional theory. Literature on social entrepreneur motivation certainly suggests that they have the drive to undertake such challenges. These individuals are described as altruistic and driven champions determined to redress injustice through vision and hard work (Alvord, Brown, and Letts 2004; Bornstein 2004; Elkington, and Hartigan 2008). Motivated by a social mission, there are many accounts of inspiring individuals who have achieved innovative social change while operating with constrained resources in difficult circumstances (cf Lerner 2013; Mathews 2009; Schwarz 2012).

On the other hand, whereas an organization based on one organizational logic operates using clear "rules of the game" (Jay 2013: 138), an organization based on two logics may find itself at a crossroads, managing competing sets of norms, values, and prescriptions (Greenwood, Raynard, Kodeih, Micelotta, and Lounsbury 2011). In their classic work on institutional logics, Boltanski and Thevenot maintained that the dual logics of capitalism and social mission—the latter they subsumed under the category of "civic logic"—would create conflicts that could not be resolved. They wrote that "compromise with the business world and the civic world seems impossible" (1991: 337).

This research suggests that both lenses are necessary to understand whether and how social entrepreneurs perceive and manage logic tensions. Social entrepreneurs'

motivation is linked to an institutional logic. In turn, whether they perceive and manage logic tensions within their social enterprise is related to their initial motivation to enter the field. A pattern emerges related to whether and how social entrepreneurs perceive and manage tensions based on what motivated them that separates social entrepreneurs into four categories: Disillusioned Dreamers, Social Capitalists, Do-Somethings and Bridgebuilders. If the social venture is going to stand out as a new organizational form based on hybridity, Bridgebuilders are an important model to emulate. While Bridgebuilding may be a challenging approach, it may also be the way to achieve significant social mission while generating substantial revenue.

This research contributes to existing social entrepreneurship literature in three ways. First, it complicates the idea of social entrepreneur motivation by suggesting that rather than being primarily motivated by a social mission, some social entrepreneurs are instead/and focused on the market logic, either as a means to social change or as their main goal. Second, it suggests that not all social entrepreneurs perceive tensions between institutional logics, and if they do perceive tensions, they may ignore them. Finally, this research contributes to the literature by bridging individual and institutional level analysis. The study suggests that whether social entrepreneurs perceive tensions between institutional logics, and how they manage the tensions they perceive, relates to their motivation to engage in social entrepreneurship. Conversely, what motivates social entrepreneurs may depend on which logic they focus on preceding their social entrepreneurship career.

Background

The study of social entrepreneurs stands at the intersection of two literatures: that concerning multiple institutional logics and that concerning entrepreneurial motivation. Each body of literature is strengthened by attention to the other: thus, the literature on multiple institutional logics is strengthened by considering social psychology and the literature of motivation is strengthened by considering the interaction between contextual and personal factors.

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Multiple Institutional Logics

A social venture is a hybrid organization in that it combines a drive to achieve social change with a focus on market mechanisms to achieve it. Hybrid organizations embody more than one institutional logic (Cooney 2006; Brandsen and Karre 2011; Doherty, Haugh, and Lyon 2014; Jay 2013; Pache and Santos 2012, 2013); in the case of a social venture, a social mission and a market logic. An institutional logic is a belief system that shapes the values and goals of an institutional field (Friedland and Alford 1991; Lounsbury 2007; Suddaby and Greenwood 2005; Thornton and Ocacio 2008). The institutional logic guides an organization's standard mode of operating (Mayer 2014) by providing "the rules of the game" (Jay 2013: 138). An institutional logic also explains "the way a particular social world works" (Jackall 1988: 118). In other words, institutional logics are an intricate set of norms and rules that people create, and recreate, to make behavior predictable (Thornton and Ocacio 2008). Traditionally, organizations in modern western civilization were guided and shaped by one of five primary logics: bureaucracy, capitalism, the family, democracy, or religion (Alford and Friedland 1985; Friedland and Alford 1991). However, in the present era there is recognition of increasingly complex hybrid organizational forms that embody more than one institutional logic (Greenwood et al 2011; Kraatz and Block 2008). Like other types of organizations that are representative of institutional pluralism, social ventures are hybrid organizations that embody and enact multiple logics; in this case, a market and a social mission logic.

A market logic is one in which market transactions and exchange shape goals, legitimacy and decision-making, creating a focus on productivity and economic growth (Alford and Friedland 1985; Friedland and Alford 1991; Boltanski and Thevenot 1991). Market forces guide an organization to maximize financial returns and generate revenue from sales and fees (Doherty et al 2014). A social venture shaped by a market logic tends to take the legal form of a business; focus on client service, revenue, and profit; emphasize salesmanship and sales cycles; and stress business plans and sales brochures (Jay 2013; building on Ewick and Silbey 2002, and Scott 2003).

In contrast, a social mission logic is one in which extending the provision of public programs and rights to all segments of society prevails. Individuals and

communities should not only receive rights, but also have a voice in the process (Alford and Friedland 1985; Friedland and Alford 1991; Boltanski and Thevenot 1991). A social mission logic is rooted in notions of harmony and needs fulfillment, both of the individual and of groups (Morrill 2007). Principles such as public benefit, collective choice, and social and environmental goal fulfillment infuse a social mission logic. Organizations fulfilling a social mission tend to be nonprofits resourced directly through membership fees, donations and legacies, or indirectly through taxes redistributed to nonprofits through government grants (Doherty et al 2014). The presence of a social mission logic is evident when a social venture is involved in public service; focuses on the imperatives of mission, service, solidarity and selflessness; uses convening and education to disseminate its message; and organizes its activities around campaigns or grant funding cycles. Neighborhoods and communities tend to receive attention rather than clients (Jay 2013; building on Ewick and Silbey 2002, and Scott 2003).

While social ventures are based on the ideal of harnessing the potential of both market and social mission logics, research describes how the two logics exist in tension with each other. These "social-business" tensions manifest internally within the organization in four realms: performing, organizing, belonging, and learning tensions (Smith, Gonin, and Besharov 2013). Organizational issues such as hiring and measuring success become contested. Social ventures may also experience competing pressures externally, for example when they must react to competing demands from a variety of stakeholders, such as from clients or financers on the one hand, and beneficiaries on the other (Kraatz and Block 2008, Pache and Santos 2010).

Literature suggests that when conflict arises from internal logic tensions responses typically result in managers taking one of the following four steps: deletion, compartmentalization, aggregation or synthesis (Jay 2013; Kraatz and Block 2008; Pratt and Forman 2000). For example, a study of a public-private energy alliance found that the social mission and market logics alternated in dominance internally until an external consultant contributed to their synthesis (Jay 2013). In response to external logic tensions, organizations tend to engage in acquiescence, compromise, avoidance, defiance or manipulation (Oliver 1991; Pache and Santos 2010). For example, an organization may compromise by partially meeting the demands of external constituents.

This research suggests that how social entrepreneurs manage the tensions that Boltanski and Thevenot claimed were irreconcilable, and whether they even perceive tensions to begin with, depends on their initial motivation to enter the field. Few empirical studies have examined the intersections of individual-level and structural-level factors to understand how social entrepreneurs manage tensions, but doing so allows for a more nuanced understanding of whether social entrepreneurs perceive tensions and the strategies they use in response.

Motivation To Become A Social Entrepreneur

The motivation to be a social entrepreneur is often described in scholarship as a calling to make the world a better place (Alvord et al 2004; Bornstein 2004; Dees, Emerson, and Economy 2001; Seelos and Mair 2005). Social entrepreneurs are motivated by a vision (Waddock and Steckler 2014) to focus their efforts on education, economic development, health, or other social sectors (Cukier, Trenholm, Carl, and Gekas 2011) to improve the lives of those who cannot access basic or quality goods or services. In contrast to commercial entrepreneurship, social entrepreneurs attend to the social good (Christopoulos and Vogl 2015), or a collective interest, rather than self-interest (Van de Ven, Sapienza, and Villanueva 2007). An "other"-facing orientation motivates these individuals to pursue the social good through altruism, empathy and compassion (Arend 2013; Batson 1998; Dees 2007; Miller, Grimes, McMullen, and Vogus 2012, Roberts and Woods 2005; Tan, Williams, and Tan 2005), a public service orientation (Lehner and Germak 2014), personal qualities such as energy, persistence, confidence, commitment and independence (Barendsen and Gardner 2004), and a strong locus of control, innovativeness and tenacity (Lehner and Germak 2014). To some, the personal qualities suggested in the literature that must animate a social entrepreneur to persist suggest such strength of character that there is a question as to whether social entrepreneurs have been mythologized as heroes (Dacin, Dacin, and Tracey 2011; Light 2005; Seelos and Mair 2005; Vasi 2009). Whether this is the case or not, the literature describes social entrepreneurs as individuals motivated to address society's worst social problems with creativity, determination and endurance.

Alongside this prosocial orientation, a pro-entrepreneurial background culture is also correlated with a drive to engage in social entrepreneurship (Lehner and Germak 2014). This "entrepreneurial orientation" (Lumpkin and Dess 1996; Lumpkin, Moss, Gras, Kato, and Amezcua 2013) may be one of the characteristics that distinguish the path of a social entrepreneur from colleagues who become activists or engage in traditional charity work. This entrepreneurial drive motivates a social entrepreneur to create "social value," (Corner and Ho 2010; Dacin et al 2011; Santos 2012; Young 2006), since alongside service he pursues the "psychic reward from the process of realizing ideas" (Martin and Osberg 2007: 34). As such, a social entrepreneur is motivated by the entrepreneurial process of combining resources, opportunities and people to innovate (Timmons and Spinneli 2007), as well as by a social mission.

In part because of a risk of fetishizing the social entrepreneur, some scholarship has expanded beyond individual level analysis to the interaction of the individual and opportunity recognition (Lehner and Kansikas 2012) or the "heart-mind-opportunity nexus" (Arend 2013) to explain the emergence of social entrepreneurship. Extending from the work of Drucker (1993) and Shane and Venkataraman (2000), this literature argues that alongside motivation, the opportunity for action must exist in order for a social entrepreneur to engage in social value creation (Dees 1998b; Corner and Ho 2010; Lumpkin et al 2013; Perrini, Vurro, and Costanzo 2010; Shaw and Carter 2007). An opportunity exists where there is a gap in the provision of services or an unmet social need. New institutional theory also argues that context, or external forces, shapes the evolution of social entrepreneurship (Battilana and Dorado 2010; Dorado and Ventresca 2013; Jay 2013; Khavul, Chavez, and Bruton 2013; Pache and Santos 2010; Sud, VanSandt, and Baugous 2009). New institutional theory argues that external conditions contribute to the realization of (or constraints on) social entrepreneurship. As Dorado and Ventresca write, "institutional factors are a variable property of actors' context of action" (2013: 80). In other words, an individual's motivation for social change cannot be divorced from its context. Rather, opportunity (or challenge) exists through the presence (or absence) of certain institutions (Dart 2004; Kistruck, Webb, Sutter, and Ireland 2011; Light 2005; Robinson 2006). These external contexts or conditions that contribute to or shape individual motivation for social change have been studied through the lens of

crescive conditions (Dorado and Ventresca 2013), community embeddedness (Seelos, Mair, Battilana and Dacin 2011); institutional voids (Mair and Marti 2009); increased social and economic stress (Peredo and Chrisman 2006), increased public awareness of social problems or the high cost of not joining the cause (Dorado and Ventresca 2013; Van de Ven et al 2007), and the presence of a facilitative community (Haugh 2007; Peredo and Chrisman 2006).

Thus research has examined contextual factors that encourage the emergence of social entrepreneurship. However, little work has looked at how a social entrepreneur's motivation results from the dominance of one institutional logic in that context, or how it determines which contextual factors he or she pays attention to within a social venture and whether these are perceived as conflictual. This study argues motivation is key because it helps us understand how a social entrepreneur perceives and reacts to multiple institutional logics. In turn, a social entrepreneur's motivation can only be fully understood by applying an institutional logics framework. Thus individual motivation and institutional logics are mutually constitutive in the social venture realm. Motivation cannot be understood without understanding institutional logics, and how institutional logics play out cannot be understood without understanding a social entrepreneur's motivation. In fact, understanding which logic has motivated a social entrepreneur may help in determining whether a social entrepreneur will perceive tension between institutional logics in a social venture and how they will respond to these tensions. Only by linking motivation and institutional logics scholarship in social entrepreneurship can we fully understand the potential for social venture success, longevity, and ability to achieve social justice goals.

Methodology

An empirical, qualitative study was conducted in the interpretive tradition of knowledge-building based on individuals' own understanding of their interactions and the meaning they assign these interactions (Nielsen 1990:7). It assumes that organizational actors actively create the reality they inhabit, and that individual members create frames of reference that they share with others through social interactions (Berger and Luckmann 1967; Isabella 1990; Neilsen 1990; Weick 1979). Qualitative studies provide rich, "thick"

data that helps researchers to identify themes, consequences and holistic interpretations (Miles and Huberman 1994).

Interviews with twenty social entrepreneurs working within twenty different social ventures were conducted. Seventeen respondents were the founders or co-founders of their own social ventures and were running their organization. Of the three who were not founders, two were the current directors of their social venture and one was a senior staff member (See Table 1).

Table 1: Respondents

	Org	Mission Focus	Org Age at I'view (years)	Role/Gender	Legal Structure
Disillusioned Dreamers	1	Youth	5	Founder/M	NP
	2	Refugee integration	7	Co-Founder/M	H
	3	Women's empowerment	2	Co-Founder/F	H
	4	Youth	10	Director/F	NP
	5	Financial literacy	5.5	Founder/M	NP
	6	Disabled job training/employment	7	Founder/M	FP
Social Capitalists	7	Veteran employment	2	Founder/M	FP
	8	Veteran employment/environment	2	Co-Founder/M	
	9	Environment	4	Co-Founder/M	
	10	Women's empowerment	2	Founder/F	
	11	Food	6	Co-Founder/M	
Do-Somethings	12	Food	5	Founder/F	NP
	13	Food	5	Coordinator/F	
	14	Youth	3	Founder/M	
	15	Youth	4	Founder/M	
	16	Youth	5	Coordinator/M	
Bridge-Builders	17	Job training	6	Co-Founder/M	NP
	18	Refugee integration	5	Founder/M	
	19	Financial literacy	5.5	Founder/M	
	20	Housing	5	Founder/F	H

A combination of purposive and convenience sampling was used (Patton 2002). In order to be considered a social venture, the organization or its founder must have received funding or an award at some point by "gatekeeper" organizations in the field of social entrepreneurship. This was for two reasons: to provide external validation of the social venture status of an organization, and to increase the potential that a funder was a stakeholder in the organization, thus increasing the likelihood of an experience of competing logics. Each social venture had to focus on economic development (also referred to as poverty alleviation) since this sector is the most common for social ventures (Cukier et al 2011). Only organizations between the ages of two and seven years old were selected, an organizational age one respondent referred to as "the valley of death." This

was the age at which financial struggles are most salient for organizations. They often struggle for financial survival, since they are at the point where they are too old for seed funding but still struggling to establish themselves. Finally, organizations had to be US-based and US-focused. Within these purposive sampling guidelines, a convenience sample of social ventures willing to engage in the research was interviewed.

Interviews were voluntary, and confidentiality and anonymity were offered to each respondent. Interviews ran for 60-120 minutes and were semi-structured, in the tradition of Kvale (1996) and Weiss (1994). Specific questions asked to all social entrepreneurs to elicit responses related to the research question included "what do you see as the overall goal or mission of the organization," "what are the major challenges you face in your work," and "have you ever had to make any tradeoffs or compromises between your mission and bringing in money?" While these questions were consistent across the interviews, each interview also used probes to follow up on points raised in their responses and conversations went in various directions as a result.

Interviews were transcribed verbatim, imported into HyperResearch, and coded using a grounded approach within the context of themes guided by the research questions (Miles and Huberman 1994). Using a grounded approach to data analysis, the four categories of Do-Somethings, Social Capitalists, Disillusioned Dreamers, and Bridgebuilders emerged from the interview data in response to the question of how social ventures experienced the co-existence or competition between the logics of social mission achievement and revenue generation.

Findings

Without being fully self-aware of the choices they make, social entrepreneurs draw on one of four approaches to the contradictions that challenge their organizations. They were categorized by their approaches as Do-Somethings, Social Capitalists, Disillusioned Dreamers, and Bridgebuilders (See Table 2).

Table 2: Summary of Findings

Category	# of respondents	Motivation	Legal Form	Perceived Tension?	Responded with focus on?
Disillusioned Dreamers	6	Nonprofit system broken	3NP; 2H; 1FP	Y	5 on Social Mission; 1 (FP) on Market
Social Capitalists	5	Capitalism can solve social problems	FP	2Yes; 3No	Market
Do-Somethings	5	Act first think later to solve social problems	NP	N	Social Mission
Bridgebuilders	4	Bring market and mission together to transform systemic problems	5NP; 1H	Y	Both Social Mission and Market

Disillusioned Dreamers

Motivations. Six respondents were "Disillusioned Dreamers." Respondents' work experience spanned from overseas aid work to domestic human service work, targeting populations from youth to women to refugees. These social entrepreneurs began their careers as traditional aid or social service workers. Over time, however, instead of finding fulfillment, they were deeply frustrated by what they perceived as systemic failures in the social service sector. Disillusioned, they were motivated to find alternative ways to work towards a social mission.

Three common threads encompassed respondents' critiques of their experiences in traditional government, nonprofit or NGO work. First, they disliked how funding processes worked for traditional nonprofits. Frustrated by the constant chase for funding dollars, they discussed how challenging it was to devote time to the social mission of their organizations when nonprofit survival depended on prioritizing grant writing and fundraising. When they did receive funding, often it was tied to conditions that did not seem appropriate. Second, respondents critiqued traditional nonprofits for their failure to achieve their social missions. Alongside external constraints, they had experienced what

they perceived as sub-par approaches to poverty alleviation by nonprofits. They ascribed organizational challenges such as bloated bureaucracy, lack of knowledge or professional mismanagement to a dysfunctional nonprofit system. One respondent commented that while she had been doing microfinance work in Africa, the consultants brought to her host country by the aid organization knew little about the business skills they were trying to teach. She realized that she was contributing to this cycle and returned to the US to pursue business studies to gain the skills she was being asked to teach. Unhappy with the status quo, she completed a business degree and then co-founded a social venture.

Respondents who had worked in domestic nonprofits also focused on the failure of organizations to achieve their missions. An individual who had worked for years with a state refugee organization said with emotion about his own current refugee-focused social venture, "Don't quote me, but we've done more than the [state] refugee resettlement agencies ever have." He was unimpressed by the state infrastructure supporting refugees of which he had been a part until founding his own venture.

Third, frustration with traditional NGOs and social services also resulted from the experience that stringent rules and regulations led to paternalism and a lack of creativity. Respondents felt that bureaucracies imposed prescriptions that undermined beneficiaries' agency, proactivity, and individuality. One respondent who worked with urban youth gave the following testimony of how he operated his social venture very differently than required by most state-funded agencies by honoring his beneficiaries' own self-knowledge:

> We also recognize that we don't know what's best for our students. I think it's been one of my biggest frustrations in the nonprofit world in general but also specifically with this population. Everyone likes to think they know what's best, but seriously, the guys I pick up have bullet holes in the front of their house. If you don't wake up every morning and look out, when you go out your door, look left and right, not to see if there is a car coming but if there's a bullet coming at you, there's no way you can actually understand what is best. (Org 1)

Rather than the common "three strikes you're out" policies of state-funded agencies, this respondent had an open door policy that he believed honored the youth's self-agency and was tolerant of their lives' chaos, giving the best chance of success. Similarly, other respondents thought that social ventures allowed for innovation and experimentation

normally curtailed in social service agencies. One explained that, "for institution-based stuff, you have to be more regimented [than social ventures]. There's not as much free will" (Org 4). In their experiences with traditional nonprofit or aid work, respondents believed that a lack of flexibility and creativity led to inhibited responses to poverty and economic development.

Perception of dual logics. Disillusioned Dreamers perceived tension between the market and social mission logic. Though what had originally motivated them was using a market logic to support their social mission ambitions , they subsequently found that these two logics were not easily combined. Using market tools to further their social mission provided challenges.

Two Disillusioned Dreamers found that the market would not bear the prices required to fund their social missions sufficiently. Neither of these social entrepreneurs could afford the costs of the "wraparound services" they wanted to offer their beneficiaries through the revenue generated by selling their products. However, established as for-profit companies, these social ventures could not supplement their income through means other than product sales. A third social entrepreneur perceived such significant tension between his social mission and market logic that he hid his social mission from customers. He found that when potential customers learned he worked with a marginalized population, they were concerned that quality would be compromised. After initially putting pictures of people with disabilities on his website, he realized:

> That wasn't helping us at all. Actually, it was becoming a liability to use that as a marketing ploy...as soon as they find out that there are disabled people working in this company they don't think we're a real company anymore. (Org 6)

Hiring people with disabilities even led competitors to use his social mission against him by "warning" potential customers about his hiring practices.

Three other Disillusioned Dreamers experienced tensions between logics due to donors rather than customers. Donors imposed conditions that inhibited social mission achievement. They wanted greater numbers of clients served to "prove" greater impact, wanted certain conditions met, or refused to fund operational costs. The respondents found these restrictions on funding undermined social mission achievement. As one

respondent described, "What [foundations] want to see is big stuff happening…we have big stuff happening but it's in a smaller environment" (Org 4). She found that funders were focused on a minimum number of beneficiaries served regardless of the depth or innovativeness of their experience.

Responses to dual logics. All but one of the Disillusioned Dreamers responded to the tension they perceived between market and social mission logics by focusing on the social mission. One respondent was clear that if he focused exclusively on the social mission, the money would follow. As a result, he refused money from donors that offered conditional funding. Two responded by changing how they engaged with the market. Originally for-profit social ventures, both reformulated into hybrid organizations with for-profit and nonprofit components. As a result, some money was generated by the products they sold, but their main efforts were redirected from sales to fundraising. As nonprofits, they could target donors whose interests were aligned with the social mission, so these respondents felt freed from focusing so much on market considerations and could redouble their focus to social mission efforts.

One social entrepreneur responded to the tension by placating funders in a small way (she felt) by raising the number of beneficiaries they reached in a year from sixteen to twenty. She felt that this round number satisfied donors while allowing her to focus on social mission achievement. The fifth respondent who addressed this tension by focusing on his social mission did so with the greatest attention paid to harnessing market tools to achieve his mission. He was planning a creative but risky fundraising effort that would allow the nonprofit to scale by incurring debt. While nervous about the risk, he was believed this approach would facilitate transformational social impact.

Only one of the Disillusioned Dreamers focused primarily on the market logic in the face of tensions between logics. He only hired workers who could deliver at market standards, did not disclose his social mission proactively, and focused on business strategy. The social mission was not unimportant. For example, he retained one disabled worker hired at the company's founding though she underperformed, and he continued to operate much of the service manually to hire more workers, rather than automating. Yet

in response to tensions he believed running a solid business benefitted his target population best.

Social Capitalists

Motivations. Each of the five people in this group referred to capitalism as a source of poverty alleviation and economic development, though they were not asked this question directly. This group believed in the power of capitalism to deliver economic parity. According to one respondent, "Business is good. Markets are good. People buying and selling and creating jobs, that's the way that the world turns for better or for worse. That's it, that's it. That's capitalism" (Org 9). They described capitalism as the preferred vehicle for social justice since Americans are committed to capitalist principles. Rather than framing their motivation to found social ventures as a response to the failures of social service provision, they framed it as inspired by businesses that do good and do well. Chobani Yogurt (low-sugar yogurt), Tesla (electric car), Zipcar (car-sharing) and Costco (fair wages and benefits for workers) were all cited as examples of businesses that thrived in the marketplace and delivered on social principles.

The five Social Capitalists had two patterns in common aside from a belief in the power of capitalism: a desire for autonomy and a focus on social venture growth. Rather than reporting to a board, they preferred the autonomy to make decisions independently inherent in a small business, such as how to raise seed funding or rework a product design. As one respondent noted, "I love this business and I love what I'm doing and I don't want to be beholden to a board" (Org 10). Also, a common focus on growth led to pursuing additional investors or growing the consumer base or range of products offered.

Respondents in this category differed in their interpretations of the extent capitalism had to be managed to create greater social justice. Two respondents were laissez-faire-style capitalists, ideologically driven by a free market mindset. They argued that job creation was the key to alleviating poverty. As one said:

> I believe business has lifted more people out of poverty than socialism or nonprofits. Look at China under socialism. People had horrible lives and they worked in sweatshops and now that they're opening up, people's lives are getting better, the free market parts of China are doing better than the more socialist parts

of China. There's never been a better force to lift people out of poverty than capitalism. (Org 7)

This respondent asserted that capitalism allowed producers to introduce consumers to all kinds of products that do good, from fitness bracelets to easy-storage vaccines. He explained people "love their iPhones…what people love is not nonprofits," suggesting that products and market exchange, not government intervention and charity, were the most efficient means to achieve change.

The three other Social Capitalists were more circumspect, reflecting that capitalism was not an inherent vehicle to social good unless approached properly. Rather, capitalism properly managed was the means to good ends. They focused on promoting fair business practices within a capitalist system. One discussed the ethical responsibilities of all businesses, including fair pay and an environmentally responsible supply chain:

> The fibers of business are that people should be paid well, they should be able to make their own economic decisions in life, and from the job that they have benefits and those things. We can make products out of recycled materials so we're not creating anything new, from scratch. So take those two principles but also have a product that's really competitive on the market, that people really want. That's growing a business and that's what a good business can be. (Org 9)

Another said that while he was "all for" competition, fair competition was key (Org 11). Businesses of similar size and quality should compete, but small businesses forced to survive in an era of large superstores able to undercut prices and wages was another story. Competition should be among equals

Thus this group of respondents differed on the extent to which capitalism should be laissez faire or actively managed, but all were inspired by the capitalist ideal that production and consumption would address social problems.

Perception of dual logics. Three of the Social Capitalists did not perceive the social mission and market logics as operating in tension. Two did perceive a tension. The former group believed that the simple existence of their company led to mission achievement. By creating jobs or maintaining an environmentally responsible supply chain they were having social impact. Thus the social mission and the market logic were

in concert. As one respondent explained, the realization that one could do good through sales was an important revelation for him. He had thought:

> It was either, "Well, you can be an NGO and you might help people, or you might work in a business." But I never really understood that you could do good by selling product. And so when that became clear, I think that that was a good avenue for me. (Org 9)

Another represented the lack of perception of tensions when he first explained that their product sold because the "social element is huge" of employing veterans, but then explained that "at the end of the day we're a fashion company" that survived by offering trendy products (Org 8). As a fashion company, price was paramount. Any contradictions between mission and business strategy were not seen as tensions.

On the other hand, the latter group perceived that the combination of a social mission and a market logic caused tension. One respondent referred to this as a "classic tension" (Org 11) between profit and mission, wherein to have more impact required raising prices, which resulted in fewer sales.

Responses to dual logics. Regardless of whether they perceived a tension between market and social mission logics, the five capitalists focused on issues related to the market logic. They worked to perfect their products and price points to increase sales. Their understanding was that should sales increase, social mission impact would increase by default. In general the resulting strategy was to decrease the product cost and lower prices, though at times a higher price gained the product market cache and thus was the better strategy. One respondent captured this turn to focusing on product and market salience when she said:

> I've had to learn that I need to lead with product and follow up with mission. If the product is no good that's the end of the business. So we spend a lot of time on product. Getting it right, getting it perfect. (Org 10)

Another reiterated that to survive against competition, his social venture just kept products on the shelves that would sell. When asked if this approach led to compromises, he responded "I don't think they're compromises…For me it's a dialog in which you are always trying to make a more winning argument…The mission is not fluid, the manifestation of the mission is fluid" (Org 11). Thus focusing on price, value, advertising and other sales-related tasks were not seen as in tension with the mission. The Social

Capitalists focused on the business decisions they felt were necessary to keep their businesses sustainable, with the assumption that the longer they were in business, the more social mission they would achieve.

Indeed, all five Social Capitalists had created their social ventures as for-profit companies, underscoring their adherence to capitalism and business as a vehicle to reduce poverty. All five responded to potential tension between market and mission by choosing to have their mission embodied within a product, maintaining that the more product they sold the more mission would be achieved. However, as business owners focused on remaining competitive, these social entrepreneurs directed their attention to business strategy and the market logic. Their response to dual logics was to focus on the market logic.

Do-Somethings

Motivations. The five Do-Somethings each held a deep commitment to a social issue. However, unlike the Disillusioned Dreamers who aimed to redress a broken nonprofit system, or the Social Capitalists who were committed to harnessing the powers of market transactions, the Do-Somethings often arrived to the social entrepreneurship space unexpectedly. As one respondent said in answer to the question of how she had decided to found her social venture, "Believe me, by accident, completely by accident!" (Org 12).

A Do-Something was action-oriented. The above respondent noted:

I've had people say, "You're part of the poverty problem. You're giving out free food." Ok. See you. I'm completely uninterested in that peripheral [debate]. I really just want to talk about solutions because I think [that] for so long, we as a nation, as a globe, as a generation of people, we just are shouting from the platform, "This is why my view's better. This is why I'm better. This is why we should do this. Listen to me." Blah blah blah. And in that time all of our collective problems have continued to grow. So I just want to talk about solutions. (Org 12)

This social entrepreneur interpreted other people's interest in debating solutions as grandiosity and her own solutions as the best course of action, thus justifying her continual action. In fact, all five respondents talked at length about the causes of and solutions to the social problems they were addressing, and much less about concrete plans

for funding, sustainability, or scale. Do-Somethings were motivated to address a social issue with their own solution quickly, and sometimes without strategy, in order to get something done now.

Perceptions of dual logics. The Do-Somethings did not perceive tensions between social mission and market logics. They were mired in classic nonprofit challenges and worried about issues including attracting seed funding for novel projects, what to do with grants won for trendy projects that did not play to the organization's expertise, how to cover operational expenses and grow their donor bases. Additionally, they worried about interorganizational partnerships and effectively communicating to the public. However, their financial concerns were not related to operating within a transactional market, and the two organizations that did generate a portion of their revenue through sales saw it as a minute component of their overall budget. Furthermore, to the extent there were stresses from operating within a nonprofit "market" of funding competition, the respondents did not note this. While they worried about financial issues, these were not seen as in tension with their social mission.

Responses to dual logics. The Do-Somethings' action-oriented focus led them not only to overlook, or look beyond, tensions between social mission achievement and revenue generation, but to jump into trying out social mission programs with minimal thought into long-term sustainability. One Do-Something described a project her social venture took on in this way:

> [Our] vision has always been "I want to provide healthy meals for people, healthy food, for anybody, no matter what your financial resources are. Everybody should have access and if I can provide the skills for you also to learn to grow [food] then we're going to try to put on this program to see what the response is." And maybe sometimes, like in this instance, it just didn't work out. Maybe we could have done more feasibility studies to see how we could have really made it happen and really sustainable. Because I'm not sure that there really was much talk. It might have been, just, hey, this is a really nifty idea. (Org 13)

While iteration and learning from failure are both key entrepreneurial skills, this program was launched and failed with little reflection given either to its potential or lack of success.

For Do-Somethings, starting a social venture was often an afterthought, just as was determining how to proceed. One respondent described her lack of familiarity with both nonprofits and the business world before starting:

> So you can tell I'm not a business catalyzer, I'm not a business starter, I'm not a businessperson… People started to call me and say, 'Whoa. You're on to something. You should incorporate as a non-profit.' And I was like, 'I don't know what that means.' (Org 12)

She, like other Do-Somethings, jumped in to solving a social issue with little thought given to developing organizational or funding skills. However, they did not see tension between social mission and funding questions. Rather they felt that they could not get others to see how articulate and resourceful their solutions were.

In response to structural and strategic challenges, Do-Somethings tended to leap from task to task, seeming to avoid analyzing long-term issues. One, lacking a strategic funding plan, was thrilled her venture had won a vehicle through a corporate competition for which someone else had nominated them as it answered her concern as to how the organization would grow. Another, after describing how he had "dropped the ball" on keeping up with state legislation on hybrid organizations that might inform his fundraising choices, described how the rest of his day would be to "go over some funding stuff, then start working on a little bit of curriculum--the program starts running soon-- and then just tackle the rest of the day from there on out" (Org 15). Ambitious, dedicated, and solution-oriented, Do-Somethings seemed to survive by action rather than strategy. In fact, the press offered one the inspired moniker of "go-giver": driven to act, driven to make change, but perhaps lacking in self-reflection.

Bridgebuilders

Motivations. Four respondents bridged the worlds of social mission and market-driven activity with a careful intentionality to blend these worlds strategically to create synergies as yet untapped. As a result, Bridgebuilders exemplified organizations that embodied, recognized and wrestled with the tensions that resulted from encompassing multiple logics.

These respondents became social entrepreneurs because of a motivation to bridge social and market spheres to create systemic transformation. Their goals were not only to help marginalized populations but to change the systems that marginalized them. Thus they subscribed to William Drayton's view that "Social entrepreneurs are not content just to give a fish or to teach how to fish. They will not rest until they have revolutionized the fishing industry" (Drayton in Ashoka 2008). Bridgebuilders strategized that they could accomplish more mission by using business tools such as standardization, gathering and sharing metrics, delivering high quality, and scaling. In turn, these tools would help them generate more revenue for their mission.

Bridgebuilders were motivated by the process of bridgebuilding, not just the outcome, envisioning systemic transformation in how things are done. To accomplish this, Bridgebuilders brought together social mission and market actors, such as nonprofit leaders and activists on the one hand, and corporate executives and donors on the other. They believed that carefully combining market and social mission logics would lead to a spiraling cycle of ever-increasing impact and revenue-generation. They experimented with interesting combinations of actors and activities to look for synergistic arrangements.

One social entrepreneur wanted to bring the more market-oriented social enterprise world together with the social justice world so that they might learn the best of each other's approaches. "I'm trying to bring advocacy and movement-building to social enterprise, to be a model of bringing those two worlds together" (Org 18). For example, he was beginning to influence legislation by working with members of Congress without calling attention to his organization's role in this advocacy work. Another respondent had the epiphany to work with the corporate "enemies" rather than against them to reach more people while raising minimum standards. She said, "Now, on the for-profit side I've spent a lot of time bringing big business into doing our work right? So I had to sell some pretty smart [corporate] people that we could do this." On the flip side, "I get push back from nonprofits like we signed a deal with the devil" (Org 20). By bringing corporate and nonprofit actors together into a network she hoped to humanize each actor for the other and harness the expertise of each.

These four social entrepreneurs, who carefully aligned their mission with their strategic fundraising or financing practices and used business tools to accomplish their mission, all the while bringing actors from both worlds together, perhaps best exemplified social entrepreneurship literature's portrayal of social entrepreneurs as "visionaries" (see Light 2006) or "changemakers" (Drayton 2006). They were motivated by the very idea of bridging social mission and market spheres and the resulting potential.

Perceptions of dual logics. Despite numerous ideas on how to build bridges between social mission and market spheres and actors, Bridgebuilders perceived many tensions between these worlds. They experienced walking a tightrope between different stakeholder norms and expectations. For example, financial actors stated commitment to novel funding approaches then balked at ideas that seemed too new, or controversial. One respondent described how an experienced social venture funder shied away from her organization:

> [A National Foundation] who supports social entrepreneurs, we spent a long time educating them on [our mission related to affordable housing]. And at the end of the day a few [National Foundation] Board members said, "You know, that's probably something we don't want to get involved with. That type of housing." That TYPE of housing, right? And then when we debriefed on it, I mean they were sold on ME as THE social entrepreneur to do this, but they got pulled back because it was THAT type of housing. (Org 20)

Some Bridgebuilders, worried about this kind of corporate or government funder fear, restricted some of their activities or more controversial aspects of their mission for fear of putting off funders.

In attempting to engage with "unusual suspects," Bridgebuilders perceived a tension even around the term "social entrepreneur." Many mainstream corporate philanthropists and investors saw the term as vague, ambiguous, or ideological. As a result, social ventures often stuck to traditional labels of "entrepreneur" or "nonprofit" to solicit funds, and thus felt tension between existing actors and new ideas. As one respondent described it:

> Because social entrepreneurship carries…I don't know if…I don't know…I don't know that it's negative connotations, but it's one of those kind of things like, if you're giving an investor presentation and you're wearing a great looking suit, but you have sandals on, because you think you're hip and you're differentiating

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yourself, and people are looking to things that are abnormal about you, so that they can call that a flaw and validate their assumptions. And so unless you're speaking to an audience that is pre-verified as loving the idea of social entrepreneurship, like when I've spoken to social entrepreneurship classes at a lot of universities… in those occasions I'm happy being introduced as a social entrepreneur. But if you Google me…I characterize myself as an entrepreneur. (Org 19)

Thus social entrepreneurs perceived a tension between their identities as social entrepreneurs and the actors they hoped to engage.

Finally, within the nonprofit sector specifically, social ventures that tried to bring stakeholders from different worlds together were criticized as "apologists" for industry or "selling out" to standardization and efficiency pressures at the expense of mission-related impact. As well, nonprofit social venture boards, often comprised of nonprofit professionals, tended to push back on novel financial endeavors, calling them too risky.

Responses to dual logics. Social entrepreneurs who built bridges did not just aspire to this goal; they actively engaged in practices to bring business and social mission worlds together. As a result, in the face of logic tensions they focused on both logics, trying to apply the best tools of each world. From their discussions, however, it was clear that there was no common playbook on how to do so. There were as many methods to bridgebuilding as there were respondents. Their practices to address logic tensions fell into two categories: practices they used externally to create a network of partners and those they applied internally within the organization.

First, social ventures focused their bridgebuilding tactics across stakeholders and organizations, looking externally beyond their own organizational boundaries. A primary tactic was to build relationships between business-oriented and mission-oriented actors. Respondents wanted to eliminate barriers to working across ideological lines and develop a network of allies focused on one mission. Sometimes this required the social venture to act as an interpreter, and sometimes as an intermediary brokering knowledge or products. One respondent described her role this way:

I describe us as interpreters to the nonprofit language and the factory language. When we have big projects going we do weekly calls between factory and membership and sometimes we'll stay on at the factory and just explain to them. The non-profit is hollering about their environmental review. That is so foreign to

a factory. [The factory says] 'What in the heck are you talking about?'…So we spend a lot of time getting a good understanding between the two. (Org 20)

Bridgebuilders also strategized about fundraising and messaging across market-oriented and mission-oriented stakeholders. One approach was to raise income only through product sales or unrestricted funding, to eliminate dependence on funder conditions. Vetting funders allowed social ventures to think strategically about mission alignment and walk away if necessary. Furthermore, nonprofit Bridgebuilders preferred (or only accepted) unrestricted funds in which the social venture had decision-making autonomy, for example, allowing them to allocate money to operational as well as program costs to ensure money for staff and strategic planning. Some Bridgebuilders framed their message differently for different stakeholders. For example, one social entrepreneur had two business cards, one that he used to sell services to customers and another he used to raise money from potential donors. His bridgebuilding tactic was to prove his effectiveness to all audiences even if he did this in different ways for different stakeholders. Once accepted by a more typical social mission- or market- oriented audience, he would discuss his hybridity. These social entrepreneurs focused on the importance of appropriate storytelling to sell mission-oriented work to for-profit audiences and business efficiency to mission-oriented audiences.

Second, Bridgebuilders focused internally, consistently applying business tools to organizational management and strategy. They developed clear business plans for their organizations (for-profit or nonprofit) and insisted on constant iterations of strategic planning. Another internal approach was to continuously model bridgebuilding practices regardless of pushback. One respondent focused on developing social justice programs within his social venture and scaling this work. He intended to demonstrate that a social venture can successfully advocate and educate (typically perceived as traditional nonprofit activities) within the context of a business plan and fundraising. They also approached growth methodically. Respondents focused on local activity first in order to develop best practices and demonstrate social impact. The three who had scaled across state lines did so slowly before establishing national headquarters. The idea of starting small and making mistakes early with less money at stake was common to Bridgebuilders

who wanted to develop a foolproof case around the benefits of applying business practices to social missions.

Finally, managing bridgebuilding tensions also took the form of strategic approaches to generating revenue. Bridgebuilders were proud of their ability to generate revenue and earned income. For some this came in the form of strategic mission alignment with corporate funders, for others in lucrative government contracts, and for still others the success was in setting up an organizational structure in which a for-profit organization or revenue generating program funneled money into a nonprofit partner or parent organization.

Bridgebuilders perceived significant tensions between social mission and market logics, but persisted by responding with ways to bridge divergent practices and constituents to leverage synergies.

Discussion

This article describes a qualitative empirical study that investigated whether social entrepreneurs perceive tensions between social mission and market institutional logics, and if so, how social entrepreneurs respond to these tensions. The findings suggest that not all social entrepreneurs perceive tensions, but of those that do, many do not wrestle with those tensions but rather defer to one institutional logic as their guide. Only Bridgebuilders perceived tensions and in the face of these tensions persisted in focusing on both logics to harness synergies. Furthermore, whether and how social entrepreneurs perceive logic tensions, and whether they respond to those tensions, relates to one of four motivations that inspired them initially to become social entrepreneurs (See Table 3).

Table 3: How Social Entrepreneurs Perceive and Respond to Logic Tensions

	Focus on Two Logics in Response to Tensions?		
Perceive Tensions?		**No**	**Yes**
	No	Do-Somethings Social Capitalists	
	Yes	Social Capitalists Disillusioned Dreamers	Bridgebuilders

Motivation and Logics

Social entrepreneurship literature suggests that social entrepreneurs are altruistic and compassionate individuals with entrepreneurial orientations motivated to change the world and address intractable social problems innovatively (Alvord et al 2004; Arend 2013; Austin et al 2006; Barendson and Gardner 2004; Lehner and Germak 2014; Mair and Marti 2006; Miller et al 2012; Van de Ven et al 2007). However, this study suggests that motivation is more nuanced. There are four unique categories of social entrepreneur, each driven by a different motivation. Disillusioned Dreamers were motivated by frustration with the traditional nonprofit system. Social Capitalists were motivated to engage in capitalism at its fairest. Do-Somethings were motivated to engage immediately and directly in solving social problems. Bridgebuilders were motivated to bring together social mission and market approaches to social change. While each of these motivations relates generally to alleviating social problems and social exclusion, each category of social entrepreneur does so specifically with an attachment to one or both logics.

Understanding how their motivations vary helps to explain why different social entrepreneurs deal differently with being at the intersection of two institutional logics. Depending on what motivates them, social entrepreneurs pay attention in greater or lesser

degree to the different logics that shape their organizations. Social Capitalists, motivated by capitalism's potential, focus on a market logic. Do-Somethings, motivated to busily act to address social problems, focus on a social mission logic. Disillusioned Dreamers, motivated to address nonprofit inefficiency and ineffectiveness, perceive tensions but remain focused on a social mission logic. Only Bridge-Builders, motivated to bring together social mission and market actors to create synergies between them, both perceive tensions and remain focused on both social mission and market logics. The variation in motivation helps to explain why different social entrepreneurs focus on different logics.

In line with scholars who highlight the importance of context (cf Dorado and Ventresca 2013; Haugh 2007; Kistrick et al 2011; Mair and Marti 2009; Peredo and Chrisman 2006; Seelos et al 2011), the evidence here is that context is indeed important to the creation of social entrepreneurs. But key is understanding context through an institutional logics framework. The dominant logic of the context motivating a social entrepreneur will tend to shape whether he or she perceives tensions between institutional logics. The evidence suggests that if they are motivated by a social mission logic, they will be Disillusioned Dreamers or Do-Somethings. If they are motivated by economic factors, they will be Social Capitalists. If they are motivated to bridge the two worlds of social mission and market to create synergies between them, they will be Bridgebuilders. Thus a social entrepreneur's motivation is linked to an institutional field guided by a central logic, and that logic will shape what category of social entrepreneur they become.

Dominant Logics and Social Ventures as Legitimate Hybrids

Since social entrepreneurs operate in hybrid organizations at the intersection of social mission and market logics, it seemed they would perceive and wrestle with resulting tensions. Instead, some did not perceive tensions at all, and while others did perceive tensions they did not wrestle with them. Those few social entrepreneurs who did perceive tensions and wrestle with them seemed to best exemplify the idea of a social entrepreneur.

To summarize in more detail, almost half of the respondents did not perceive tensions (five Do-Somethings and three of five Social Capitalists). Thus, despite being the founders or high-level managers of hybrid organizations, they did not perceive tensions between the dual logics on which their venture was founded. Not being aware of logic tensions may bring the risk of not being prepared for any negative ways this tension may impact the social entrepreneur's primary motivation. For example, should Do-Somethings not be aware of tensions between social mission and market logics, they may be unprepared for (or oblivious to) challenges that a given product sales strategy may create for social mission achievement. Conversely, should Social Capitalists be unaware of tensions between logics, they may be unprepared for (or oblivious to) how adopting a social mission may require altering their pricing strategy and affect sales. On the other hand, not perceiving tensions may make operating easier as the social entrepreneur is less distracted by tensions. Either way, given that being a social entrepreneur is about existing at the crossroads of two "standard modes of operating," it was notable that several of the respondents did not perceive tensions.

While half did not perceive tensions, sixteen respondents prioritized one logic regardless of whether they perceived tensions (all but the four Bridgebuilders) rather than working to integrate both. While prioritizing one logic is not inherently bad, it too minimizes the idea of a social entrepreneur as an individual at the crossroads of two logics. It undermines the hybrid nature of the organizational form social entrepreneurs had deliberately selected—since they established a social venture rather than a traditional nonprofit or business. Thus disengaging from the complexities caused by hybridity may solve the problem of tensions resulting from dual logics, but it also may alter the hybrid character of the social venture. As one logic or another becomes the focus of the social entrepreneur, one result may be that the social entrepreneur defaults to the norms, values and prescriptions of that one logic. The result may be that the social venture begins to appear more like a traditional single-logic organization than a hybrid. For example, as the Social Capitalists respond by focusing primarily on price and value decisions, they may begin to look more like traditional companies than social ventures. As the Disillusioned Dreamers and Do-Somethings respond by continually prioritizing social mission over business planning, they may begin to look more like traditional nonprofits. If a social

entreprepeneur acts in line with one dominant institutional logic, he or she may appear to conform to one institutional logic or the other.

As a result, this may create problems of organizational legitimacy. For example, Social Capitalists who have established for-profits may find it difficult to convince customers that their social mission is more than a statement on paper. This could lead to criticisms of not being fully committed to a social mission, or even deceptive marketing. Do-Somethings who have founded nonprofits may find it difficult to convince funders or foundations that they are deserving of social entrepreneurship-targeted funds. Disillusioned Dreamers are harder to predict, since they see tensions but respond as nonprofits. Their ability to discuss tensions may garner them support from customers and funders. Yet their continued prioritization of a social mission logic may challenge their social venture legitimacy as they minimize revenue generation.

The category of Bridgebuilders stands out as exemplifying the social venture as a new organizational form. It combines both social mission and market logics in its intention and operations. This may make Bridgebuilders significant role models for the social venture field. Since they are motivated to enhance each logic by intermingling it with the other, they constantly note and manage tensions with the goal of greater synergy. However, it also makes them founders of the most unfamiliar organizational form, which may generate skepticism from funders and investors who are unfamiliar with hybrids and/or who are risk-averse. It also may create organizational instability if constant tension becomes overwhelming or challenges have no tried-and-true solutions to which social entrepreneurs can turn.

As a result, Bridgebuilders may offer the best hope of social ventures as a new approach to achieving social justice in an era of privatization and reduced government funding for social mission-related work. They maintain their focus on social mission and funding goals, overcoming Boltanski and Thevenot's assertion that irresolvable conflicts between the two would arise if both were priorities.

Bridging Levels of Analysis

Given the focus of this study on both social entrepreneur motivation and institutional logics, it also contributes to the social entrepreneurship literature by bridging individual and institutional level analysis. What motivates an individual social entrepreneur mediates the extent to which his or her social venture will experience the hybridity associated with this organizational form. Each of these four categories of social entrepreneur presents a pattern as to whether they perceive tensions between social mission and market logics, and how they respond to these tensions. How social entrepreneurs perceive and respond to tensions leads to a logic that is prominent in that organization. Disillusioned Dreamers are motivated by a social mission logic, perceive tensions with the market logic, but stay focused on a social mission logic. Social Capitalists are motivated by both logics, may or may not perceive tensions, but in the end focus on a market logic. Do-Somethings are motivated by a social mission logic, do not perceive tensions, and remain focused on a social mission logic. Bridge-Builders are motivated by a social mission logic, perceive tensions, and finally focus on both logics. If these are patterns that continue, they may contribute to constituting the developing field of social entrepreneurship, which will in turn reflect back these norms and expectations on new social ventures. Thus patterns that connect individual level motivation and the experience of institutional level logics become mutually constitutive.

Limitations and Future Research

This study is based on a small sample of social entrepreneurs with specific parameters for inclusion. Respondents all worked at economic development or poverty alleviation social ventures that are US-based and US-focused. Furthermore, all had received support from (inter)national social entrepreneurship foundations or accelerators and as such had been selected by gatekeepers as those with the greatest potential. As such, the study findings are not generalizeable. However, they raise questions to investigate in future research.

To follow up on this study, future research might assess whether the four categories of social entrepreneur uncovered in this study hold true in a more general population of social entrepreneurs. As well, the growing focus on impact assessment would be useful in this context, to compare the impact of each of the four categories to

help to assess carefully their relative performance. Current research that elucidates the types of tensions that social ventures experience (cf Smith et al 2013) would help to categorize the tensions that different types of social entrepreneurs experience. This would begin to address if there are certain types of tensions that are most avoided or hardest to address, and which tensions Bridgebuilders address first or best. Case studies of social ventures run by Bridgebuilders would add depth to our understanding of their capacities and potential. Finally, existing theories on navigating paradox might shed light on how Bridgebuilders experience and accept living with logic tensions.

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ARTICLE 2

ONE FORM DOES NOT FIT ALL:
LEGAL FORM AND U.S. WISES

Introduction

Social entrepreneurship is a growing trend in which organizations use market solutions to address pervasive social problems (Hoffman *et al*, 2012; Mason and Doherty, 2015; Smith *et al,* 2013). Such organizations have at least two sets of goals: those directed toward achieving a social mission and those directed toward revenue generation (Young and Kim, 2015).

The social mission logic of a social enterprise drives the venture to pursue social objectives and social change (Mair *et al,* 2012; Mair and Marti, 2006; Zahra *et al,* 2009) to "explicitly improve societal well-being" (Perrini 2006), in major areas of pressing social need including poverty, health, education, and violence (Certo and Miller, 2008). The extent of the social goals ranges from fulfilling basic needs (Mair and Marti, 2006) to large-scale transformation and "pattern-breaking change" (Light 2008: 5; also see Alvord *et al,* 2004; Martin and Osberg, 2007). A market logic seeks adequate revenue for organizational sustainability using a range of approaches, from grant funding for nonprofit organizations, to market transactions with customers for goods and services, to impact investment from investors willing to inject capital for a mixed return of financial and social value (Defourny and Nyssens, 2007; Neck *et al,* 2009).

With both social mission and market institutional logics (Alford and Friedland, 1985; Thornton *et al.,* 2012) driving their strategy and operations, social enterprises are

categorized as hybrid organizations. Hybrid organizations combine multiple institutional goals and demands into one organization (Besharov and Smith, 2014; Pache and Santos, 2010). Given the multiple guiding logics embodied within hybrids, these organizations might anticipate conflict arising between them. Indeed, research suggests that multiple institutional logics create incompatible goals in organizations (Greenwood *et al.,* 2011; Pinch and Sunley, 2015; Smith *et al.,* 2013). Besharov and Smith (2014) label hybrid organizations with two central logics and incompatible goals "contested" organizations. They pick out these organizations as particularly ripe for high levels of internal conflict.

Little research has been done on how social enterprises that are "contested" manage their tensions effectively. A few studies are the exception: they suggest careful hiring and socialization processes (Battilana and Dorado, 2010), "spaces of negotiation," (Battilana *et al.*, 2014) and external consultants (Jay 2013) are helpful. However, the ways in which social enterprises mitigate conflict remains under-studied.

The work integration social enterprise (WISE) is one type of social enterprise that might experience high levels of tension as a contested organization. It is dedicated to bringing the low-qualified, long-term unemployed at risk of permanent exclusion from the labor market into the workforce through product or service sales that generate revenue for the social enterprise (Battilana *et al.,* 2014, Cooney and Shanks, 2010; Defourny and Nyssens, 2008). It is a popular form of social enterprise, since more social ventures address poverty than any other social issue (Cukier *et al.,* 2011). While there is no single WISE model, generally employees are trained to provide basic products (such as baked goods) or services (such as janitorial or ground maintenance), and supported with additional services. Eventually the WISE offers beneficiaries a job or assists them to look for employment in the labor force. For example, Greyston Bakery, founded in New York in 1982, hires employees regardless of barriers such as criminal record or homelessness, on the philosophy that "we don't hire people to bake brownies, we bake brownies to hire people." Participants are offered training, employment, and support services (Kiser *et al.,* 2014).

WISEs are likely to be "contested" organizations because of their dual institutional logics of social mission fulfillment and market goals. Given the potential that WISEs have to address the problem of unemployment among marginalized populations, this paper set out to understand what kinds of tensions emerge in WISEs given their hybridity, and how founders of "contested" organizations managed tensions and conflict sufficiently to help WISEs survive and thrive.

Work Integration Social Enterprises (WISEs) as Social Enterprise

Employment for marginalized populations has been a longstanding social problem (Jenson, 2000; Stigletz, 2012; Wacquant, 2009), and continues to be a significant issue today (Joffe-Walt, 2013; Krueger *et al.,* 2014; Semuels 2015). WISEs are one vehicle to economic integration for people traditionally excluded from the work force.

WISEs embody social mission and market logics, both of which can be defined by many characteristics, including ideal type of organization, strategic imperatives, constraints, and artifacts (Billis, 2010; Doherty *et al.,* 2014; Jay 2013) (See Table 1). The archetypal social mission logic is embodied by nonprofit organizations, with a focus on mission, public service and solidarity. It promotes a focus on collective action and education, is guided by the normative expectations of stakeholders, is funded by donations, and is organized around grant funding cycles. For example, the American nonprofit Juma Ventures is a national WISE that trains and mentors low-income youth to work in ballpark concession stands to earn income and develop leadership skills. It also helps with college preparation, savings, and financial aid applications (jumaventures.org).

Table 1: Comparison of Market and Social Mission Institutional Logics

Organizational Archetype/Institutional Logic	Private/Market	Nonprofit/Social Mission
Ideal type organization	Business firm	Nonprofit organization or Association
Normative Expectations	Client service	Public service
Strategic /operational priorities	Guided by market forces and individual choice to maximize financial return. Revenue and profit.	Guided by commitment to distinctive mission to social or environmental goals. Mission, public service, solidarity, selflessness
Human resources	Paid employees under management control	Staffed by combination of employees and volunteers
Income sources	Revenue from sales and fees	Revenue from membership fees, donations, legacies
Notable activities/capacities for action	Salesmanship, innovative service delivery	Collective action, education
Constraints	Rules of the game, scarce client attention and resources, fiduciary responsibility to financiers	Normative expectations of stakeholders
Time	Sales cycles, quarterly reporting	Campaign momentum, tipping points, grant funding cycles
Artifacts (carriers)	Business plan, sales brochures	Grant proposals

From Billis, 2010; Doherty et al., 2014; Jay, 2013

Like Juma Ventures, most WISE social missions include one or more of three components: job training, employment, and "wraparound" services. Job training includes building job specific skills such as baking or cleaning, and transferable skills such as collegiality and attendance. Employment may include assistance with finding employment or providing full-time employment. "Wraparound" services may include employment-specific help such as resume writing and networking, or more general supports such as counseling or access to language training (Battilana *et al.,* 2014; Cooney, 2011; Defourny and Nyssens, 2010). Both Greyston Bakery and Juma Ventures encompass all three components. For example, beyond apprenticeships and employment

Greyston provides childcare, housing, counseling, and tutoring (Kiser *et al.,* 2014; Tran, 2015).

In contrast, for-profit companies embody the archetypal market or business logic with their focus on client service, revenue and profit (See Table 1). A market logic promotes a focus on salesmanship and service delivery, fiduciary responsibility, is constrained by scarce client attention and resources, and is organized around sales cycles, client expectations, business plans, and sales brochures (Billis, 2010; Doherty *et al.,* 2014; Jay, 2013). For example, Dancing Deer is a multimillion-dollar wholesale and online gourmet bakery that sells its products in Whole Foods Market. It is also an inner-city Boston-based company that primarily hires immigrants (Perman, 2006). The founder views her investment in employees, such as English classes during work hours, as beneficial for efficiency and loyalty, reducing investment required in training new hires (Heymann and Berrera, 2010).

Despite literature on the general importance of fitting organizational form to function (Chandler, 1962; Galbraith and Nathanson, 1979), and specifically in social enterprise (Gair, 2005; Lynch and Walls Jr., 2009; Westaway, 2012), WISEs may take several legal forms, since hybrid organizations "do not fit neatly into the conventional categories of private, public or nonprofit forms" (Doherty et al 2014: 417-418). Hybrids may exist as nonprofit or for-profit organizations, or as newer legal forms, such as L3Cs and benefit corporations (Haigh and Hoffman, 2012; Lang, 2013; Reiser, 2011). For example, Dancing Deer is a for-profit, Greyston Bakery is a for-profit with a foundation, and Juma Ventures is a non-profit.

There are several reasons that work integration is a social mission ripe for the attention of social entrepreneurs. First, a "sheltered workshop" model—day programs for individuals with disabilities that provided simple tasks for reduced pay (Migliore, 2010)—have generally fallen out of favor. Criticisms include subpar working conditions, less-than-minimum wages, no formal employee status, and limited opportunity to transition into open employment (Decker, 2011; Hoffman, 2013; Lenhart, 2000). Second, those working with other traditionally excluded populations also recognized the need for

employment integration. However, programs for youth, homeless, unemployed, the formerly incarcerated, and refugees are underfunded and insufficient (Abramsky, 2013; Campbell, 2014; Moran and Petsod, 2003; Solomon, 2012). Critics argue that existing programs provide skills rather than jobs (Heinrich and King, 2010; Moran and Petsod, 2003). Third, the rise of structural unemployment (Bode, Evers, and Schulz, 2006; Stigletz, 2012) and reduction in welfare programs (Cooney, 2011, 2013) increased economic exclusion as a social issue and made it ripe for social entrepreneurs.

It is easy to see how the archetypal WISE embodies both social mission and market logics. Its social mission is attentive to excluded populations, helping them overcome poverty by reintegrating into the productive workforce. Its market logic is to have beneficiaries engage in the market, to satisfy customers, and have the organization generate sufficient revenue through the products and services it sells to reinvest in beneficiaries and organizational capacity. However, given the dichotomy between these logics, it is also easy to predict that significant challenges arise in WISEs around priorities. Should companies like Greyston Bakery and Dancing Deer automate their equipment as competition increases—which may minimize employment opportunities? Should they invest in advertising or services?

To date there is little research on how WISEs integrate these two logics. Most of the research that does exist has focused on European models, which have achieved some balance of logics. While models vary from country to country (Defourny and Nyssens, 2008; Galera and Borzaga, 2009), in general European WISEs are publicly funded (an least in part) vehicles through which governments implement employment programs (Defourny and Nyssens, 2008, 2010). As such, they are regulated through EU subsidies and policies related to gaining government contracts (Defourny and Nyssens, 2010). In France, for example, beneficiaries must be two years out of work, receive training and counseling, and work for the WISE for a maximum of two years (Battilana et al., 2014). Thus European WISEs may have achieved a balance of social mission and market logics, but have done so with support from the state. In the US, while the government mandates job-training programs through the Workforce Investment Act (Heinrich et al., 2009), providers are not limited to WISEs and WISEs are not founded, regulated, or supported

by the state. There is no overarching body that determines who counts as a beneficiary, what (if any) services they must receive, or whether the goal of a WISE is to create jobs or improve job access.

Thus, US WISEs manage dual logics without support or regulation on how to balance them. One might expect them to be "contested" organizations with high levels of internal conflict resulting from goal tensions. On the other hand, given the success of well-known US WISEs like Greyston Bakery, some social entrepreneurs overcome the tensions that arise. Given the growing need for vehicles to support populations marginalized from the workforce, and the increasing prevalence of social enterprise in the area of economic development, this research sought to understand the tensions that manifested in WISEs between social mission and revenue generation goals and whether and how they were managed successfully.

Methods

This research emerged from a larger study I conducted on the tensions between social mission and market logics in social enterprise. I employed qualitative methods to explore the phenomenon of multiple institutional logics within an organization as respondents experience it (Cresswell, 2013; Patton, 2014).

Each of the social enterprises in the original study had been selected by an (inter)national funding agency or incubator as a social enterprise deserving of attention. I utilized this "gatekeeper" selection approach to address the question of "who counts" as a social enterprise. From among these possible respondents, I used purposive sampling to select those who worked from the US on US-based poverty alleviation or economic development to enhance comparisons. I also considered organizational age, favoring "middle aged" organizations that had existed long enough (2-8 years) to use up seed funding opportunities and who faced financial challenges on a regular basis. Within this purposive sample, the respondents were selected through convenience sampling (Bernard and Ryan, 2010) (see Table 2).

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Respondents were interviewed using a semi-structured approach, allowing for additional elaboration and commentary (Kvale, 1996; Weiss, 1994). Questions related to the social mission of the WISE, any tensions that arose between social and financial imperatives, how the program was developed and implemented, and how it had evolved. Interviews lasted between 60-120 minutes. All respondents were offered anonymity and the opportunity to withdraw at any time. Most interviews were recorded (three used note-taking only) and transcribed verbatim, then uploaded into HyperResearch software for transcription.

Data was coded for themes and sub-themes, with careful attention to "significant statements" related to the experience of tension (or lack thereof) between institutional logics (Cresswell, 2013: 193). Coding became an iterative process that occurred multiple times throughout the research process. I developed matrices to elucidate within-case and cross-case patterns. I also wrote memos and field notes to elaborate on themes, questions, and insights (Miles and Huberman, 1994).

While analyzing the data from the larger study, two cases emerged in which a social enterprise had re-formulated from a for-profit company to an alternative legal form. Whereas the social enterprises in the study took various approaches to their social mission, these two were WISEs. As a result, I separated out the WISEs, for a total of ten cases, and explored the themes of the study within that context. While further research is needed to determine the generalizability of these findings, nevertheless, they offer initial insight into US WISEs and their experience of tensions between social and financial goals.

Table 2: Respondents

Category	Org	Target Population	Org Age at I'view (years)	Role/Gender	Legal Structure
Market Logic Dominates	3	People with disabilities	7	Founder/M	FP
	2	Women	2	Founder/F	
	5	Adults in high unempl. areas	4	Co-Founder/M	
	8	Veterans	2	Co-Founder/M	
Social Mission Logic Dominates	9	Youth in juvenile justice sys.	5	Coordinator/M	NP
	10	Youth in gangs	5	Founder/M	
	1	Youth in high unemp. areas	3	Founder/M	
	6	Chronically homeless	6	Co-Founder/M	
Transitioned Organizations	7	Refugees	7	Co-Founder/M	FP to NP
	4	Women refugees	2	Co-Founder/F	L3C to NP/L3C

Findings

Of the ten social entrepreneurs interviewed who founded or ran WISEs, most did not perceive significant tensions between their social mission and revenue generation. Given the divergent goals and the prediction that this would lead to "contestation" (Besharov and Smith, 2014), this was a puzzling finding. Since it seemed to be a matter of each social entrepreneur having a clear set of strategic priorities, the cases were then divided according to which logic dominated.

A classic story surfaced of "form following function." A pattern emerged between the legal form of the WISE and the dominant logic. A market logic dominated in for-profit WISEs; a social mission logic dominated in nonprofit WISEs. Where tension between the logics might be anticipated due to organizational hybridity, the legal form determined the course of action.

However, two cases stood out where respondents discussed significant tensions. Organizations 4 and 7 had been founded as for-profit companies but with the intention to prioritize a social mission of job training and wraparound services. The conflicts they experienced were related to this mismatch between form and function. Both found over time that their sales revenue did not cover the expenses incurred by offering wraparound services to beneficiaries.

Furthermore, when the WISEs were categorized according to the type of beneficiary served, the story became one of target population employability. The four for-profits that did not perceive significant tensions targeted marginalized populations that were skilled enough to take on basic jobs and the four nonprofits targeted those with significant barriers to employment. Thus in eight cases, form and function were aligned through the population that was being served. For-profit companies could depend upon the basic skills of their workforce, thus hired them as employees and moved forward with a market logic dictating operations. Non-profit WISEs prioritized the multiple barriers of their difficult-to-employ beneficiaries, using grant funding to (help) pay for training and wraparound services. In both high-tension WISEs, the founders adopted a for-profit model to work with refugees. While refugees might be employable over the long-term, their barriers to immediate employment caused problems within a for-profit model, and the WISEs became "contested" organizations (see Table 3).

Table 3: Beneficiaries Served and Supports Provided

	For-profit WISEs	Nonprofit WISEs
Respondents	Orgs 3, 2, 5, 8	Orgs 9, 10, 1, 6 ➡ Org 7 (founded as FP; re-formulated to NP) ➡ Org 4 (founded as L3C; re-formulated to L3C/NP partnership)
Targeted Populations	People with disabilities Women Adults in high unempl. areas Veterans	Youth juvenile justice sys. Youth in gangs Youth in regions of high unemployment Chronically homeless ➡ Refugees
Social Mission Approach	**Job Creation:** Fair wages Benefits Minimal job training	**Job Training:** Training program with wage/stipend Job supervision/assistance **Support Services (Each org offered a combination including:)** Mentoring Job placement assistance Informal counseling/mentoring Social skill development Field trips Transportation Liaising with community services Financial counseling Housing assistance Case management Drop-in space Weight trainers Computer access for GED/job applications Food and nourishment Court accompaniment

Prioritizing the Market Logic: Four For-Profit WISEs

Four of the ten WISEs prioritized aspects related to a market logic in running their

organizations to ensure organizational survival and growth. All four were for-profit

businesses that sold goods or services produced by their beneficiaries who were hired as regular workers (see Table 4).

These four social ventures had social missions to create jobs for marginalized populations. The missions of job creation included "jobs with dignity" and earning a "living wage." Each targeted their job creation to a different population, including war veterans, people with disabilities, women, and people living in an area of high unemployment. Workers were employed as laborers, in manufacturing, or as craftspeople. Two of the four organizations outsourced to (or "partnered with") other companies who employed the beneficiaries (for example, a clothing social venture outsourced their sewing to a factory that employed veterans). They did not offer job training or wraparound services. Only Organization 3, with employees with disabilities, offered a few accommodations: they offered targeted trainings for new hires and maintained a slow pace of work as part of their business model.

Each venture prioritized market considerations over social mission when the two logics might have caused tensions. In cases where decisions needed to be made about how to proceed, these four WISEs gave priority to outcomes that focused on reducing expenses and increasing output to increase the business' competitive advantage. In their operations they prioritized market logic indicators such as customer service, revenue and profit, salesmanship.

Customer service and profit took precedence over public service and community needs in decision-making. Without overlooking the social mission, each WISE focused on how to maintain sales or services for their clients. For example, in an effort to sell more products, Organization 2 planned to reduce the supplies purchased from its beneficiaries to keep prices down for the clientele. Personal gain as well as product sales was a goal, as several respondents discussed profit in terms of accumulating personal wealth as well as sustaining the organization. A focus on client service and profit also manifested through careful hiring policies. Organization 8 fulfilled their mission by outsourcing their labor to a sewing factory out-of-state that employed veterans. However, they hoped to switch from this model to direct hiring so that they could pay workers less.

For their part, Organization 3 maintained a hiring policy in which disabled workers were expected to be self-sufficient. These four WISEs were guided by salesmanship and client preferences. Organization 5 reflected that a good "story" or social mission was not enough to sell products and Organization 3 had omitted any reference to the social mission in its sales material when they determined it created sales challenges.

It is not that the for-profit ventures in this category abandoned their social missions, but they saw their social missions fulfilled by hiring marginalized populations as employees. When decisions related to customer service and revenue called for prioritizing either social mission or market forces they emphasized aspects related to a market logic.

Table 4: Quotes related to Market Logic and Mission Logic Prevalence in WISEs

Organizational Archetype/Institutional Logic	Private/ Market		Nonprofit/Social Mission	
Ideal type organization	Business firm	Orgs 3, 2, 5, 8	Nonprofit organization	Orgs 9, 10, 1, 6
Normative Expectations	Client service	You see the public is looking and they want security, professionalism. So I have to think, [is] a person with a disability able to meet that standard [of] someone without a disability? (Org 3)	Public service	And I wanted the guys who were going be kicked out, expelled. I didn't want the guys who were in school and doing well. I wanted the guys that were on the way out…This [detective] said to me…our guys…are sociopaths, they are going to kill somebody…But the fact is they're out in the community. (Org 10)
Strategic /operational priorities	Guided by market forces and individual choice to maximize financial return, revenue and profit.	Our bags might seem expensive but aren't compared to similar products…There will always be people who can't afford our product. At the end of the day, we're a fashion company. We need to maintain a level of exclusivity to sell the bag… (Org 8) I could potentially get rich off of this idea that is helping these people and making people feel good. That's, that's pretty cool. (Org 5)	Guided by commitment to distinctive mission to social or environmental goals, mission, public service, solidarity, and selflessness	In staff meetings, "It's all about the program" and the program staff are all willing to "sacrifice revenue to focus on the mission." (Org 6) Something we always say is, "You know, if the most [social] impact comes with us being a 75,000 dollar organization then we're going to be a 75,000 dollar organization. If it's a 56 million dollar organization we'll be a 56 million." (Org 10) I'm not looking to make money on it, that's not in me, that drive toward personal gain. (Org 9)
Human resources	Paid employees under management control	So, you know, if a person with a disability wants to work here, they have to apply for the job like anyone else, and be interviewed…to be able to do the job without assistance…That's important. (Org 3)	Staffed by combination of employees and volunteers	I've been given pretty much free reign with the whole life of this project. I haven't heard anything from the Board really and my supervisors have both given me a lot of freedom to take this in whatever direction I wanted to. (Org 1)
Key activities/capacities to act	Salesmanship, innovative service delivery	After four seconds [at a bridal show exhibit] I say "fair trade" or whatever and [customers] just blank over and they're done. They are not even interested. But if you start with "Look at this silk. You've never seen anything like it. This is a silk dress. Most dresses are polyester…", it's just a much more effective sales strategy. (Org 2)	Collective action, education	We did snow removal…It brought in a lot of money, which was really attractive, but one of the things that I really like about the landscaping is you can plan it. It's very scheduled and the people that we work with need that structure. We missed the money…but [snow removal] is a nightmare, it's an absolute nightmare. (Org 1)
Constraints	Rules of the game, scarce	Most of our sales are not from our mission, but about "the price and can you get the job done and do you stand	Normative expectations of stakeholders	Management says to me, "No, no, no, no. Relax. You don't have to make it self-sustaining. Just focus on making GOOD

	client attention and resources, fiduciary responsibility to financiers	behind your work."…It's about the money and meeting your business obligations. They don't want to hear the social mission. Moreover, our competitors have used it against us… As soon as people find out that there are disabled people working in this company they don't think we're a real company anymore. (Org 5)		[products] and quality interns. (Org 9)
Artifacts (carriers)	Business plan, sales brochures	Find a product that really has a place in the marketplace, that's something that's really needed. And don't just make it a product that you think is going to sell because you have a good story because the story's not gonna sell it. (Org 5)	Grant proposals	We have a really awesome grant writer [the Director of the parent nonprofit]…which is really nice because it allows me to focus on parts of the program that are more meaningful. (Org 9)

Prioritizing the Social Mission Logic: Four Nonprofit WISEs

Four of the ten WISEs prioritized their social mission logic when making decisions about the organization. All four organizations in this category were nonprofits imbued with a social mission logic that superseded a market logic (see Table 4).

These four nonprofits had a social mission to serve a specific marginalized population that faced significant and multi-faceted barriers to employment, such as the chronically homeless, those with addictions, criminal records, or youth. Rather than job creation, these nonprofits focused on job training and readiness programs with supports to assist with job placement after program-completion. Three offered 4-12 month apprenticeships in which individuals received a stipend or hourly payment and support to find jobs post-graduation. The fourth offered courses leading to national certification in personal training, and certified beneficiaries offered paid sessions to clientele. These four WISEs also offered wraparound services such as counseling, housing assistance, transportation, and education supports.

Each of these four nonprofit WISEs prioritized their social mission when it came into tension with a market logic. In cases where decisions needed to be made about spending and revenue, they focused on their beneficiaries' needs above organizational growth or sales. They emphasized public service, social mission, education, and grant proposals.

There were many examples of decisions where nonprofit WISE prioritized beneficiary support services over revenue generation. While the Director of Organization 6 saw potential earnings if he purchased a nearby business to expand the WISE, he did not do so to mitigate financial risk, preferring to ensure that current revenue was reinvested into participant needs. He was proud of creating a scholarship fund when a beneficiary indicated that a driver's license would be helpful in job-hunting. Organization 1 dropped their snow removal program despite a significant loss in revenue since it was not aligned with their beneficiaries' needs for predictability. While salesmanship and quality service delivery were not unimportant, nonprofit WISEs put their primary attention on remedying participant gaps in skills and knowledge and took a supportive rather than rigid approach that might be found in a workplace. In Organization 10, "If someone's coming in here every day, or if they're coming in once a year, it's a victory all the same." In Organization 6, when one beneficiary did not attend a mandatory support group, he was allowed to continue after "a really serious conversation." Additional services included social skill development, field trips, transportation, liaising with needed community services such as language training and drivers' education classes, financial counseling and assistance opening bank accounts and savings plans, housing assistance and case management. Many other supports were offered informally.

As one way to ensure the ability to prioritize social mission over profit generation, these founders used grant money rather than earned income to guarantee funding for operations. As such, they were immersed in grant cycles and proposal writing. Three of the four respondents ran the social enterprise programs of larger nonprofits. Thus, their finances were enmeshed with their parent organizations, part of whose role was assistance with grant applications and soliciting donors. This structure provided protection from tensions that might have emerged between social mission and market logics as the parent nonprofits had the resources to commit to fundraising.

The four nonprofit WISEs in this category prioritized aspects related to a social mission logic when making decisions about their primary goals.

Two "Contested" WISEs that "Re-Formulated": Organizations 4 and 7

Two social ventures had recently transitioned, or "re-formulated," from for-profit businesses to another legal model: one to a nonprofit and one to a nonprofit/for-profit partnership. Both re-formulated as a way to accommodate their prioritization of a social mission logic over a market logic, made tension-filled by a for-profit form (see Table 5).

The founder of Organization 7 established a for-profit WISE from frustration with how refugees were "resettled" in his state. Government programs focused on literacy and housing, but in his opinion, "Refugee resettlement is not viable without economic development." Refugees were willing to work hard for little pay but jobs were lacking. He founded a food product business with refugees as apprentice chefs to demonstrate that refugees were exemplary employees who could run businesses. His "business model" dictated that he only employ actively job-searching refugees for one year, as an incentive to look for permanent employment and allowing him to recruit new employees. He also provided services to enhance their employability and his business operations concurrently.

The founder's experience was one of satisfaction from the social mission—and so many tensions that ultimately he determined the project was not viable as it stood. He said, in hindsight "had I been business savvy I would have known at the beginning" a non-profit model was a better choice.

As a for-profit, the founder experienced tensions across most dimensions of his company. His social mission guided his priorities, yet he lost money year after year funding the company through product sales. Regardless, the social mission was "non-negotiable." For example, as planned, his best workers moved on, which he called "a bad business plan in terms of revenue." Thus an apprentice skilled at marketing who left to found her own company was a "really a great story of the mission working," yet left a hole at the organization that the founder had neither the time nor the resources to fill.

As well despite costs and inefficiencies, the company provided wraparound services such as case management and transportation, which he viewed as critical for success. For example, apprentices cooked in a rented kitchen from 4-11 pm—late for those using public transit and living in unsafe neighborhoods. Since he could not afford

to hire transportation, he often drove them himself. In fact, the founder did much of the work himself, from menial tasks to marketing. He was constantly challenged by how to allot his time, as he wished to hire refugees to take over responsibilities yet they required training—which he had to do himself as the sole employee. He had taught one apprentice how to do payroll, but could not find the time to train him fully in bookkeeping, which he continued to do himself. In another case, he trained a refugee to manage mail order products, only to have the refugee unknowingly missed a deadline for a large refund. Thus much of the training he did was resource-intensive but without financial return.

In 2012, it was clear that the enterprise must either close or change. The tension between a non-negotiable social mission that incurred costs, and insufficient sales revenue to cover those costs, meant that the organization was unsustainable. He "re-formulated" by founding a nonprofit and bringing the social venture under the nonprofit umbrella. He explained, "The nonprofit has been very helpful. There was no other solution." The WISE now covers approximately 60% of its operating costs through sales and the rest through fundraising, and the founder is now salaried. Converting the WISE from a for-profit business to a nonprofit organization allowed him to fund the costs associated with the social mission of helping refugees access permanent employment.

Table 5: Org 4 & 7 (Before Re-formulation) Tensions

	ORG 4 TENSIONS	ORG 7 TENSIONS
Ideal type organization; Normative Expectations	Business firms prioritizing public service	
Strategic /operational priorities	Revenue going to support social mission but social mission not increasing the revenue. Support services, not market feedback, guiding expenditures, causing expenses to outpace income.	
Human resources	Founder(s) working as volunteer.	
		Founder trained apprentices; best ones moved on to other jobs, requiring continued investment in training. Mistakes made by apprentices were "learning opportunities" that could be costly.
Income sources	Sales insufficient to cover expenses.	
	Anticipated raising money from Impact Investors (II) willing to invest in a social mission, however, II demanded financial return and did not invest.	Founder worked full-time doing all training and basic tasks to stay afloat, (since company could not afford an employee), thus had no time for marketing or business planning
Notable activities/Capacities for action	Time and energy went into social mission at the expense of salesmanship and marketing	
	Expected innovative social mission to appeal to II, but it did not.	
Constraints; Time; Artifacts (carriers)	Tended to ignore/overlook for-profit constraints and focus on beneficiaries.	

In the second example of a WISE that "re-formulated" away from for-profit status, the co-founders of Organization 4 wanted to help marginalized women become self-sufficient. They had overseas aid experience in small business development and wanted to do more to create opportunities for women-led business. Early in the idea phase, one co-founder explained she had believed that funding an organization through the sale of a product was easier and more sustainable than soliciting donations. Immersed in the idea of business as "cool" and efficient, she had thought traditional nonprofits were

really "old school and like being in the Dark Ages." Instead, the co-founders decided to establish a company to help refugee women and women victims of violence make and sell a small consumer product. Despite her initial optimism, the respondent now believes, "There's a myth that business is more reliable than philanthropy." Her experience was one of unsustainable tensions between social mission and market logics.

In the early months they focused exclusively on their beneficiaries: on how many women they could train, how much they could pay, and how much product they could make, believing that the market would absorb as many items as could be produced:

> We put our hearts ahead of the business. So we focused production not on "what do we have a customer for right now, and what would people buy, and what's the right price point, and what are the right colors?" …We didn't ignore it completely but we basically trusted that if we had high quality [products] come in that we would sell them.

Instead, they had items the market did not want, improper packaging, and a "really, really ugly" website. For one major holiday, when they had expected to sell thousands of items, they sold six hundred. In hindsight, they had not prepared for the market reality.

While the founders understood the extent of start-up costs, they expected the new field of "impact investors" to invest in the social enterprise. As a result, their remaining time and energy was spent trying to fundraise from a sector that was supposed to be willing to accept a lower financial return on investment in exchange for significant social benefit. However, impact investors wanted competitive financial return. The respondent explained, "We spend a lot of time on trying to raise capital when we should have been working on marketing and sales. And it distracted our whole team…we were just not what anyone was looking for." They dealt with start-up costs by soliciting loans from family and friends. As well, the founders went without salaries. The respondent reflected, "Looking back, we thought the business could do it all."

In 2012, a potential partnership with an established retail company caused Organization 4 to rethink their business model. They could not cover existing costs, let alone those entailed in expanding production. As a result, they "re-formulated" by launching a nonprofit organization to partner with their existing for-profit. The nonprofit

could raise the money required for training and services. "Now that the nonprofit has taken on the pieces that really aren't about driving the business side I think the [for-profit] is much better positioned for business success…It doesn't make sense for a business to invest in training, you'll never recover that money." The respondent is now optimistic about the new, differentiated organizational roles. While a for-profit WISE could not sustain the investment required to train the women, a partnership model in which a nonprofit raised funds for the social mission appeared more viable and has survived so far.

Discussion

This study investigated whether US WISEs experience tensions between their two goals of social mission achievement and revenue generation, and whether and how they manage these tensions successfully. Based on interviews with ten founders or managers of WISEs, the evidence shows that contrary to the expectation that WISEs would exemplify "contested" organizations (Besharov and Smith, 2014), eight of the ten WISEs did not experience significant conflict. Only two cases experienced prolonged and ultimately irreconcilable tensions between their social mission and market logics. Rather than embodying two equal and coexisting institutional logics that made conflicting demands on the social enterprise, WISEs generally had one logic that dominated their operations, a market logic in for-profit WISEs and a social mission logic in nonprofit WISEs. Since WISEs had clear dominant logics, tensions were minimal. Beneficiaries' employability emerged as an important variable, with for-profit WISEs creating jobs for more employable populations and nonprofits offering training and services to harder-to-employ populations. Significant tensions were experienced only in two WISEs, where social entrepreneurs attempted to prioritize a social mission logic within a for-profit legal form. In these two cases, the tension became so significant as to lead to a "re-formulation" of the WISE away from a for-profit model to prevent organizational demise.

Form and Function: Aligning Form and Social Mission Approach

Research has demonstrated the importance of aligning form with function in organizations generally and social enterprises specifically (Chandler, 1962; Gair, 2005; Lynch and Walls Jr., 2009; Nathanson and Galbraith, 1978; Westaway, 2012). This study suggests the importance of extending this imperative to WISEs. In the case of social enterprises, scholars tend to be structurally agnostic, defining them as hybrid organizations that may take any number of legal forms (Doherty *et al.,* 2014; Haigh and Hoffman, 2012; Lang, 2013; Reiser, 2011). However, as this study demonstrated, fitting form to function, or legal structure to social mission, mattered.

In terms of function, WISEs aim to integrate excluded populations into the labor force. To do so, they adopt one or more approaches including job creation, job training, and/or "wraparound" services (Battilana *et al.,* 2014; Cooney, 2011; Cooney and Shanks, 2010; Defourny and Nyssens, 2007, 2010). Little research has been done to discern which WISEs employ which approach when, beyond a general understanding of European models that tend to integrate all three within a context of government regulation and support (Battilana *et al.,* 2014; Defourny and Nyssens, 2010), and a few studies on the US (Cooney, 2013) and Canada (Chan, 2015). However, the evidence from this study suggests that WISEs in the US tend to adopt an either/or approach to social mission achievement: either a job creation or job training with wraparound services. Furthermore, each of these approaches is best suited to a particular organizational legal form.

The study suggests that a job creation approach aligns best with a for-profit WISE form and a job training/services approach to a nonprofit WISE form. Tensions emerge when the logic associated with the legal form is not the dominant logic utilized in organizational operations. In this study two for-profits experienced this misalignment. These two WISEs were structured to focus on customers and profit for survival, but the social entrepreneurs instead focused on beneficiaries and public service by providing job training and support services. Tensions arose between the high cost of services and insufficient revenue and threatened the existence of both organizations, as they could not survive without sufficient profit from sales or investment.

This study demonstrates the importance of aligning legal form and social mission. For-profits can achieve a social mission—if that mission is aligned with a for-profit approach to social change. A for-profit WISE is best suited to a social mission of job creation for employable populations. Where nonprofit organizations can provide training and support services, for-profit companies can create jobs that are maintained through sales of products and services. There are risks of mission drift—should a for-profit find that its prioritization of a market logic takes over, there may be a pull to hire workers without the challenges presented by the target population. For-profit WISEs may wrestle with committing to their target population while ensuring the workers hired have the basic abilities required by the job. Alternatively, the creation of a government system that regulates and supports WISEs in the US, both requiring social mission fulfillment (hiring policies) and supplying funding for income gaps (subsidies), might mitigate the risks facing for-profit WISEs.

Form and Function: Aligning Form and Target Population Employability

In the case of WISEs, organizational function relates to the population served as well as the approach to workforce integration. Each of the ten WISEs in this study targeted a particular population. In the two cases in which tensions arose, there was a lack of alignment between form and target population.

The four for-profit WISEs using a job creation approach worked with populations that had low barriers to employment. In each case—veterans, women, people with disabilities, and people in areas of high unemployment—it may have been hard to get work due to stigma, an interrupted employment history, or lack of job access, but once offered a job beneficiaries were capable of working. Once employed, these workers could produce the goods or services needed to generate profit. In contrast, the four nonprofit WISEs without tensions all worked with target populations that displayed significant barriers to employment. One worked with the chronically homeless, many of whom had experienced mental health or addictions issues. Three worked with youth—gang members, youth in the juvenile justice system, and those living in areas of poverty. Any youth are by definition hard to employ due to legal age restrictions and school

attendance; these populations had further barriers to employment. They needed investment in training and support services to increase their job-readiness, and grant funding provided dependable, consistent revenue that was targeted for those in the greatest need. Since beneficiary skill could not be depended upon to generate sufficient operating revenue, donor funding ensured adequate income.

Refugees proved to be the confounding population. The two WISEs that experienced high levels of tension targeted refugee populations. On the one hand, the need for wraparound services was not a surprise. Each founded their organizations based on providing training and supports. On the other hand, the founders expected that the market would support each organization's investment in refugees through product sales given refugee willingness and motivation. In the end, both WISEs experienced unsustainable tensions. Neither organization was willing to decrease the training or services they offered, but neither organization generated sufficient income to remain solvent. The immediate barriers to employment exhibited by refugees who needed job training and support services required a level of social mission that market income could not cover.

"Re-formulating" as a Conflict Management Technique

With regard to how to address logic tensions in a social enterprise, the literature has suggested specific responses such as implementing careful hiring processes that allow for the socialization of new workers into a hybrid mindset (Battilana and Dorado, 2010) or creating spaces of negotiation that allow for staff representing particular logics to come together (Battilana *et al.,* 2014). However, these emerged from research done on larger and more established social ventures in Latin America and France. Furthermore, in France the field is regulated by government policies (Battilana *et al.,* 2014; Defourny and Nyssens, 2010). In the US, many social enterprises are small and young, thus hiring practices and spaces of negotiation are less relevant. As well, government is less involved. Instead, this study suggests that conflict is preempted altogether if the organization's legal form and dominant logic are aligned. When for-profit WISEs prioritize a market logic and work with populations with low barriers to employment, and

nonprofit social ventures prioritize a social mission logic and work with populations with significant barriers, social enterprises do not experience intense logic conflicts. Thus the question of how to address tension between social mission and market logics successfully becomes irrelevant.

On the other hand, in contested WISEs where the social mission and market logics conflict, a key conflict management technique is not tactical or interpersonal but structural. Conflict will be lessened when social entrepreneurs "re-form" to properly align form and function. This study suggests generally the transition required will be in the direction of a for-profit company to a nonprofit or nonprofit/for-profit partnership arrangement. Then the social venture can access grant funding to alleviate income gaps. Alternatively, the target population could be substituted for one that is more easily employable and the social mission exchanged to a narrow one focused only on job creation. Either way, the evidence here suggests that structural rather than interpersonal interventions will reduce conflict that is generated by a lack of alignment between legal form, target population, and employability.

Conclusion

This study investigated the tensions between social mission and market logics that emerge in WISEs due to organizational hybridity and how these tensions are best managed. Contrary to both theoretical predications and common sense logic, WISEs experienced little tension when their organizational form and social mission were aligned. As a result it is clear that despite the array of legal forms a WISE may adopt, this choice matters. The legal form determines the dominant logic that must dictate strategy and social mission approach to operate without conflict. On the other hand, the plethora of forms that US WISEs can and do take may also indicate that the issue of chronic unemployment of marginalized populations remains intractable. Social entrepreneurs have yet to uncover the perfect approach to eliminate the problem and as yet none has the capacity to solve the issue systemically. Future research could delve more deeply into the question of which WISE approach is most effective, and look more broadly at how social enterprises in other sectors manage institutional logic tensions effectively.

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ARTICLE 3

STAKEHOLDER RESISTANCE TO SOCIAL ENTERPRISE HYBRIDITY

Introduction

Social entrepreneurs, innovators within the growing field of social entrepreneurship, experience multiple challenges to establishing themselves, their innovations, and their social enterprises as accepted and legitimate components of the mainstream economy. Many of these challenges manifest from the co-existence of social mission and market goals within social enterprise. Existing literature has tended to emphasize how social entrepreneurs should problem-solve to overcome adversity. This research moves beyond the individual social entrepreneur to question how key stakeholders contribute to tensions between social mission and financial goals and whether problem solving is realistic in the face of stakeholder priorities. Thus this study adds to research that has been focused largely at the individual and organizational level by moving to the broader systemic level.

Academic scholarship has identified that at the root of many of social enterprise challenges are the often contradictory goals of social mission achievement and financial sustainability (Doherty et al, 2014; Smith et al, 2013), both important drivers, or "institutional logics," embodied by social enterprise. At the individual level, social-business tensions (Smith et al, 2013) may manifest as a challenge to staying motivated to work against the status quo with little support (Bornstein, 2004; Drayton, 2006), developing innovations that succeed in their goals with demonstrable impact (Haugh, 2005; Ormiston and Seymour, 2011; Short et al, 2009), and surviving failure (Leadbetter, 1997; Seanor and Meaton, 2008). At the organizational level, social entrepreneurs face internal challenges such as hiring and organizational identity buy-in (Battilana and Dorado, 2010), and external challenges such as working with potential collaborators and

dealing with competitors (Oliver, 1991; Pache and Santos, 2010). At the institutional level, a lack of field-level players or "institutional voids" (Mair and Marti, 2009; McMullen, 2011), and boundary-drawing between who counts and who does not (Dart, 2004; Nicholls, 2010) may provide social-business challenges for social entrepreneurs.

Scholars have begun to study how social entrepreneurs and related actors achieve social mission and market goals together successfully. At the individual level, literature describes the heroic nature of social entrepreneurs who overcome obstacles and suggests would-be players develop the skills of determination, resilience, and persistence to enhance their potential for success (Bornstein and Davis, 2010). At the organizational level, current research demonstrates that careful hiring and socialization policies will facilitate organizational survival and success (Battilana and Dorado, 2010), as will "spaces for negotiation" for staff to address their different perspectives (Battilana et al, 2014) and the use of external consultants to offer insight into misaligned goals and practices (Jay, 2013). To establish a solid institutional presence, academics and practitioners discuss the importance of understanding the nature of hybridity or multiple institutional logics embodied within a single sphere (Doherty et al, 2014; Smith et al 2013), and propose alternative framings of the institutional goals to encourage accuracy and legitimacy, such as describing social entrepreneurship's aims as falling on a continuum between value capture and value creation, rather than between profit and social change (Santos, 2012).

While the literature on social entrepreneurship has progressed from problem identification to problem-solving, the solutions and best practices proposed remain centered on the individual social entrepreneur. Implied is that if social entrepreneurs are aware of the tensions that emerge between conflicting institutional logics and address them, they can overcome the resulting challenges. Yet this line of thinking that centers on the individual social entrepreneur and his or her behavior ignores a broader, contextual level perspective that includes other stakeholders external to the social enterprise. Stakeholder support is crucial to the project of social entrepreneurship: stakeholder engagement does not just increase organizational sustainability (Sloan, 2009) but can legitimate a growing field, which in turn leads to increasing stakeholder support (Dart, 2004; Newth and Woods, 2014; Nicholls, 2010; Suchman, 1995), which is manifest most

crucially in the form of material, financial and expertise resources (Shane, 2003). Furthermore, given that social entrepreneurship encompasses two sets of goals, social enterprises amass a double array of stakeholders in the form of customers and investors on the one hand, and donors and beneficiaries on the other (Lepage et al, 2014; Newth and Woods, 2014), with potentially double the power to be supportive or challenging. Therefore, understanding stakeholder priorities as social entrepreneurs pursue their dual goals of social mission achievement and revenue generation helps to illuminate the continuing challenges social entrepreneurs experience to becoming mainstream.

This paper begins by contextualizing the question of stakeholder expectations within the literature on social entrepreneurship institutional logics and hybridity, then discusses the importance of stakeholder buy-in or resistance for organizational legitimacy and resource acquisition. After describing the qualitative research methods used to undertake this study, it presents data on social entrepreneur perceptions of stakeholder priorities validated by interviews with social entrepreneurship gatekeeper organizations. The article closes by discussing the implications and limitations of these findings.

Social Enterprise, Institutional Logics, and Stakeholders

Social enterprise arose as a novel field because, in name and in promise, it sits at the intersection of two institutional logics. An institutional logic is the central logic that provides the organizing principles that shape the way individuals think and behave within that institution (Alford and Friedland, 1985; Jackall, 1988; Lounsbury, 2007; Thornton and Ocacio, 2008). It provides individuals with a sense of purpose (Friedland and Alford, 1991) and determines "the way a particular social world works" (Jackall, 1988: 118). Thus institutional logics create a "standard mode of operating" that allows stakeholders to predict the behaviors of, and within, any organization in a given institutional field. Situated in between two institutional logics, a social enterprise is guided by both social mission and market logics (Boschee, 2001; Dacin et al, 2011; Doherty et al, 2014; Dorado, 2006; Mair and Marti, 2006; Thompson and Doherty, 2006; Tracey and Phillips, 2007; Vega and Kidwell, 2007).

A market logic dictates that profit and business strategy should guide economic interactions as well as practices and beliefs within the social world (Alford and Friedland, 1985). In organizations governed by a market logic, strategic priorities are to maximize

revenue and accumulate profit (Jay, 2013). Profit is achieved through high levels of productivity and efficiency on the one hand, and superior or innovative customer or client service on the other. In the logic of market transactions, customers seek low prices and high value while investors seek capital growth. The archetypal market-driven organization is a business firm, and key business-related stakeholders include customer, clients, lenders, and investors (Boltanski and Thevenot, 1991, Doherty et al, 2014, Jay, 2013).

Many theorists have described the market as a force for good. In the market logic of Adam Smith's (1776) "invisible hand"-guided economic system, the logic unfolded so that a completely free market, with pure competition between buyers and sellers, unencumbered by intervention or manipulation, would lead to better products at cheaper prices ultimately to the benefit of all. However, given the social and economic inequality created by the current economic system, compassionate actors feel the need to intervene in the economic order in order to redress disparities between the privileged and the disadvantaged (Miller et al, 2012; Arend, 2013). Social entrepreneurs, for their part, explicitly focus on a social mission as well as market practices to ensure the welfare— and future economic inclusion—of those who are suffering from the current economic system.

Consequently, social enterprises encompass a social mission as well as a market logic. The realm of "the social" is not easily defined; as Phills and colleagues write, "Explaining what social means is both central to our argument [about social entrepreneurship] and especially vexing" (2008: 3). Institutional logics theorists Friedland and Alford (1991), and Boltanski and Thevenot (1991), capture the meaning of the "social" in their discussions of "democratic" and "civic" logics. Giving voice to all in decision-making, and satisfying individual and collective needs, are central in both cases. Often a social mission will target those who suffer from a particular disadvantage, such as disease, hunger or poverty (Christensen et al, 2006; Light, 2009) or who lack access to basic healthcare, food, education, jobs or justice (Austin et al, 2006; Phills et al, 2008). Additionally, a social mission logic may transcend a focus on individuals to focus on a whole community or a population that suffers from marginalization (Alvord et al, 2004; Bornstein, 2004; Martin and Osberg, 2007). Finally, sometimes a social mission logic

includes the component of social transformation; in other words, remaking the system that has created unmet needs (Alvord et al, 2004; Zahra et al, 2009). As Phills wrote, "The key feature of social value—whether it is spiritual, moral, societal, aesthetic, intellectual, or environmental—is that it transcends economic value" (Phills 2005: 22; see also Austin et al, 2006; Certo and Miller, 2008; Dees, 1998; Mair and Marti, 2006). Archetypal social mission organizations are government and non-profit agencies that provide for social welfare, and key social mission-related stakeholders are donors (either individual or organizational) and beneficiaries (Boltanski and Thevenot, 1991; Doherty et al, 2014; Jay, 2013).

Despite the conflicting "standard modes of operating" and resulting challenges that these two co-existing logics create, modern organizations are increasingly hybrid (Battilana et al, 2012; Smith et al, 2013) or "complex" (Greenwood et al, 2011) in the number of logics they embody. At least three bodies of literature related to organizations describe how they may embody more than one logic, suggesting both that hybridity can permeate an organization easily, and that it has become normal and acceptable. Organizational identity research explains that dual identities may coexist within a given organization (Albert and Whetten, 1985; Foreman and Whetten, 2002; Pratt and Foreman, 2000). For example, research on social enterprise mission statements identifies that social enterprises can have both a utilitarian identity focused on profit and a normative identity focused on a social or ideological mission (Moss et al 2010). Literature on triple bottom line opportunities (Elkington, 1997; Emerson, 2003; Waddock and Graves, 1997; Waddock and Rasche, 2012) and impact measurement (Darby and Jenkins, 2006; Hulme, 2000; Lepoutre et al, 2011; Ormiston amd Seymour, 2011) suggests that organizations can create and measure both economic and social value. Third, literature on organizational culture describes the possibility of two co-existing internal drivers; for example, Dees (2012) discusses the cultures of charity and innovative problem-solving that may be embodied in a social enterprise.

Despite this literature on ways that multiple logics co-exist within an organization, a key challenge is the need to combine the stakeholders that comprise each logic into one broad network; in the case of social entrepreneurship, customers and investors on the one hand and donors and beneficiaries on the other. This surplus of

stakeholders is useful, as resource acquisition is needed for the sustainability of individual social enterprises and the field as a whole (Newth and Woods, 2014). As Desa and Basu (2013) detail, resources such as capital, material and expertise (Shane, 2003) have key roles in the emergence (Brush et al, 2008), product development (Plambeck, 2011), growth (Villanueva et al, 2012; Wadhwa and Basu, 2013), and competitive advantage (Clarysse et al, 2011) of new ventures.

However, stakeholders can prove resistant to a phenomenon when it challenges the status quo (Becker et al, 2011; Schumpeter, 1934), contributing to paternalistic change efforts at best (Waddell et al, 2015), and this resistance may impede resource mobilization (Dart, 2004; Nicholls and Cho, 2006) and success (Vasi, 2009). Indeed, social entrepreneurs face particularly challenging circumstances because they draw from dual logics (Dacin et al, 2011). Using Suchman's (1995) construct of organizational legitimacy is useful for understanding the flow, or lack, of resources directed to social entrepreneurship (Dart, 2004), as social entrepreneurship challenges the status quo in several ways. According to Suchman, first, an organization is afforded cognitive legitimacy when it operates in a way to which people are accustomed. Second, an organization is afforded moral legitimacy when it operates in a way that aligns with people's ideology, or the way people think it should operate. Third, an organization is afforded pragmatic legitimacy when it yields value to its stakeholders. Social enterprise challenges the way stakeholders expect market logic organizations to operate and how they believe they should operate; likewise with social mission organizations (Newth and Woods, 2014). Furthermore, given the lack of precedent for social enterprise, the degree to which it will yield value to stakeholders appears untested to stakeholders. Thus while organizational theories demonstrate how hybrid organizations can combine logics into their operations, whether or not stakeholders accept dual logic organizations and afford them the legitimacy required for resource acquisition is another question. When a new field has yet to establish its legitimacy on cognitive, moral, or pragmatic grounds, stakeholders may prove resistant and their support and resources may be a hard to access.

That said, social enterprise stakeholders might be divided into two groups. Traditional stakeholders used to the established "standard modes of operating" of archetypal market logic and social mission logic organizations may be more resistant than

new groups of stakeholders who arise parallel to a novel field. In the case of social enterprise, two key groups of stakeholders developed contiguously with the dual goals of social mission and market in mind. First, impact investors are a new class of investors interested in innovative financing vehicles to solidify the connection between market and social mission logics (Bugg-Levine and Emerson, 2011; Hochstadter and Scheck, 2014; Moore et al, 2012). Second, national and international "gatekeeping organizations"— social entrepreneur fellowship-granting organizations (such as Ashoka, Schwab and Skoll) and social enterprise accelerators in the case of social entrepreneurship—offer recognition, funding, social networks and in-kind resources to successful candidates in order to support social enterprise and grow the field (Bloom, 2012; Dees and Anderson, 2006; Joos and Leaman, 2014; Schatz, 2015).

Thus while social entrepreneurs might expect resistance from traditional actors, on the other hand, they expect stakeholder groups that arose around embracing dual logics to be supportive of their hybridity and more forthcoming with resources. Whereas Dacin and colleagues (2011) ask "would social entrepreneurs compromise their objectives or social mission in order to suit the agendas and priorities of large funding organizations, governments, and foundations" this research revises the question to ask "will social entrepreneurs feel they *need* to compromise their social mission objectives or will stakeholders have objectives appropriate to the hybrid nature of social entrepreneurship?" While literature on organizational legitimacy suggests that traditional funders—foundations, individual donors and investors—may resist hybrid goals and remain focused on the status quo of a market logic, hybrid-specific stakeholders—social entrepreneurship fellowship-granting organizations and impact investors—should be supportive of hybrid actors and support their endeavors. Customers, choosing to be patrons of social enterprise, and aware of trends around conscious capitalism (Williams, 2014), should act supportively toward the hybrid aspirations of social enterprises.

Methods

This qualitative study used interviews with twenty social enterprises and four gatekeeper organizations to address questions about resistance and challenges social entrepreneurs experienced vis-à-vis their stakeholders.

Seventeen respondents were the founders (or co-founders) and CEOs of their own social enterprises and were running their organization (see Table 1). Two were running their social enterprises but were not the original founder. One was not the founder but a member brought on in early stages and part of the top executive team. Fourteen respondents were male and six were female. Of the twenty social enterprises, eleven were nonprofit, six were for-profit and three were hybrid organizational forms. Of the four respondents at gatekeeper organizations I interviewed, two were from social entrepreneurship fellowship-granting organizations and two from social enterprise accelerators. Each had a competitive selection process in which applicants were carefully vetted. The fellowship organizations managed significant financial resources that were granted to fellows to inject into their work. The accelerators used donor and investment dollars to fund their services and grants. As well, accelerators either managed impact investment funds or connected social entrepreneurs to impact investors. While the accelerators did not offer fellows as much funding as the fellowship granting organizations, they offered some financial support as well as in-kind services and access to business and consulting networks. All four of these respondents were women. One was a partner, one a CEO, and two were senior staff members in decision-making positions.

To identify respondents I used a combination of purposive and convenience sampling (Patton, 2014). I was purposeful in relation to several characteristics in order to ensure consistency for comparison purposes. In order to be considered a social venture, the organization or its founder must have received funding or an award by gatekeeper organizations in the field of social entrepreneurship. With no agreement in the literature as to the definition of social entrepreneurship or a social enterprise, using external validation of the social enterprise status of an organization decreased researcher bias in determining who could participate as a respondent. Each social venture had to focus on economic development (also referred to as poverty alleviation) since this sector is the most common for social ventures (Cukier et al, 2011). Only organizations between the ages of two and eight years old were selected, an organizational age one respondent referred to as "the valley of death" at which financial struggles are most salient for organizations. They often struggle for financial survival, as they are too old for seed funding but still struggling to establish themselves. Finally, organizations had to be US-

based and US-focused in order to ensure consistency for comparison purposes. Within these purposive sampling guidelines, interviewees were selected through convenience sampling (Bernard and Ryan, 2010).

Specific questions asked to all social entrepreneurs related to the research question included "what do you see as the overall goal or mission of the organization," "what are the major challenges you face in your work," and "how would you describe your relationship with your funders, [or financers, or customers]?" Questions asked to gatekeeper organizations included "what are the qualities of a social venture that is going to thrive," "tell me about the decision-making processes about which candidates are awarded funding," "what conditions do you attach to your funding," and "how do you know if your funding recipients have complied with your conditions?" While these questions were consistent across the interviews, each interview also used probes to follow up on points raised in their responses and conversations went in various directions as a result.

Interviews were voluntary, and confidentiality and anonymity were offered to each respondent. Interviews ran for 60-150 minutes and were semi-structured, in the tradition of Kvale (1996) and Weiss (1994). Interviews were transcribed verbatim and imported into HyperResearch. Qualitative studies provide rich data that helps researchers to identify themes (Miles & Huberman, 1994). To uncover themes, this research used a grounded theory approach to understand respondents' perceptions of their interactions with stakeholders. It did not set out to measure the presence of market and social mission logics, but to determine how respondents viewed and experienced the multiple forces at work within their social enterprises (Charmaz, 2006). As such, interviews were coded using a grounded approach to identify broad themes guided by the research questions (Charmaz, 2006; Miles and Huberman 1994). Subsequently, all material related to each theme was aggregated and recoded for sub-themes (Miles and Huberman, 1994). Interviewing, coding and analyzing were iterative processes.

Table 1: Overview of Respondents

Respondents				
Org	Mission Focus	Org Age at Interview (years)	Role/Gender	Legal Structure
1	Food	5	Coordinator/F	NP
2	Financial literacy	5.5	Founder/M	NP
3	Food	5	Founder/F	NP
4	Youth empowerment/ Skills training	10	Director/F	NP
5	Youth empowerment/ Skills training	3	Founder/M	NP
6	Refugee integration	5	Founder/M	NP
7	Food	6	Co-Founder/M	FP
8	Veteran employment/environment	2	Co-Founder/M	FP
9	Job training and employment	7	Founder/M	FP
10	Youth empowerment/ Skills training	5	Founder/M	NP
11	Refugee integration	7	Co-Founder/M	H
12	Women's empowerment	2	Founder/F	FP
13	Youth empowerment/ Skills training	4	Founder/M	NP
14	Job training	6	Co-Founder/M	NP
15	Environment	4	Co-Founder/M	FP
16	Youth empowerment/ Skills training	5	Manager/M	NP
17	Women's empowerment	2	Co-Founder/F	H
18	Housing	5	Founder/F	H
19	Financial literacy	5.5	Founder/M	NP
20	Veteran employment	2	Founder/M	FP

Findings: Privileging a Market Logic

Sixteen of the twenty social enterprise respondents perceived that their key stakeholders demanded they prioritize a market logic in their interactions. These stakeholders appeared to resist the social enterprise call to trade some financial return on investment for achievement of a social mission. This was the case with relation to customers, funders (donors and investors), and impact investors. In triangulating to further understand the prevalence of market logic thinking in the field of social entrepreneurship, interviews

with four social entrepreneurship gatekeeper organizations also yielded data suggesting that social entrepreneurship fellowship organizations and social enterprise accelerators expected social entrepreneurs to focus primarily on the development of their market logic characteristics. Only two respondents refused this stakeholder prioritization of a market logic, by avoiding interactions with them. Finally, in two cases where the social enterprise recently transitioned away from a for-profit structure to a new organizational form, the relationship with institutional logics is in transition and currently uncertain (see Table 2).

Table 2: Social Enterprises and the Logics Prioritized

Logic prioritized	Perceived Dominant Stake-holder	Social Entrepreneur Response to Stakeholder	Orgs	Quote
Market	Customer	Focus on Price	2, 5, 7, 8, 9, 12, 14, 15, 16	"At the end of the day, you need to compete on price" (Org 15) While customers care about the social mission, "it's definitely deep seated in American culture that you should get the lowest price on everything you buy and if you don't, you're a fool" (Org 7)
	Funder	Adapt Methods	1, 4, 6, 13	We "find a way to frame our mission that's genuine but palatable" to attract corporate funders (Org 6)
		Adapt Vocabulary	18, 19, 20	
Mission	Beneficiary	Focus on Social Mission	3, 10	The audience was "asking all of these questions about messaging and do we change it to fit the foundation…[No.] We're very honest with funders about who we are and what we do because if we're not then how are we ever going to solve the problem." OR "We've always kept our work very genuine. It's about the students. They tell us what is needed and our job is to find those positive solutions." (Org 10)
Unknown	In Transition		11, 17	

Customers Demand Low Price and High Value

Nine of the sixteen social entrepreneurs who perceived a market logic as dominant had customers as a key stakeholder group. Five of these social enterprises were product-oriented, selling clothing or food items. Four were service-oriented and provided janitorial, painting, or related services. In all nine cases, the social entrepreneurs perceived that customers selected their product or service for reasons of low price or high value, not social mission. As a result, these social entrepreneurs felt the need to shift away from a focus on social mission to an emphatic or exclusive focus on price.

Organization 15 exemplified a social enterprise that learned that customer behavior was dictated by price, value, and self-interest. Originally, it sold a product that involved a long explanation. As a young traveler in Africa, one of the co-founders noticed how many Africans were wearing T-shirts donated from America. Wanting to expose the misguided intentions of charity and its heavy environmental footprint (why not stimulate the local economy by investing in a local clothing industry?), his organization was founded to "repatriate" T-shirts by hiring African workers to create bags and scarves from these t-shirts to be sold back in America. "That was a lot to explain to people," the respondent said. "People were like, 'well, that's great, but what can you do with my t-shirts?'" While still focused on job creation and environmentalism, they abandoned the politics of international aid and turned to t-shirt blankets made in the USA using recycled material. Developing an understanding of consumer behavior, however, took time. The co-founders wrote that:

> Many social businesses get into trouble doing market research because everyone tells them it's a good idea and the charity component will mean something, both to investors and customers. Unfortunately, once the product goes to market, they find out nobody is willing to pay for it. (Org 15).

The respondent said of his customers, "Maybe five percent, they're willing to pay five percent more but at the end of the day, you need to compete on price."

Others found their situation was similar, that potential customers cared about value rather than social mission. Customers purchased products due to lower price points, not their positive environmental impact or empowerment potential. Social enterprise service providers also found they were hired for the value they provided. One explained

that "97% [of his business] is the price and can you get the job done and do you stand behind your work" (Org 9). As a result, they found when pitching to potential clients that it was safer to wear their business "hat" than their social mission "hat" and to emphasize price and value rather than the positive social impact.

Not all customers were uninterested in social mission; respondents found, however, that a social mission had to be accompanied by low price and high value to attract purchasers. As one explained, while his customers cared about the social mission, "It's definitely deep seated in American culture that you should get the lowest price on everything you buy and if you don't, you're a fool, and somebody's taking advantage of you, and you're letting them" (Org 7). For these social entrepreneurs, experience had taught them that customers' purchasing decisions were based on price, not social mission.

Funders Demand Numbers

Seven social enterprises generated much or all of their income from funders rather than through sales to customers. Funders included corporate and private foundations, government, and individual donors and investors. All seven perceived that funders expected an emphasis on a market logic in their operations and they discussed how they altered their methods in order to more strategically engage and satisfy their revenue sources. There were two ways in which these social enterprises demonstrated a commitment to a market logic in deference to funders. The first was to emphasize the market methods they used to achieve their social mission. The second was to adopt market vocabulary to describe the social enterprise focus.

Four respondents described shifts they made in order to emphasize the market methods their social enterprises used to achieve the social mission. These respondents did not want to lose their social focus, but they did alter the way they accomplished their mission in order to attract funders more strategically. One determined that his organization would use dialogue rather than advocacy to achieve its mission. He found that corporate and government funders were not interested in funding social enterprises that advocated on behalf of a target population, especially one that was politically divisive, like refugee or LGTBQ populations. Rather, these funders preferred to support the use of dialogue between all segments of a community since this was a less

confrontational way of achieving social change. Another revised the means her organization used from working in-depth with a small number of beneficiaries to working less in-depth with a greater number of beneficiaries. She found that funders displayed greater interest in her work when she could quantify higher numbers of people served more than when she could describe a deeper quality of empowerment. A third found that her organization had learned to accept mission creep in exchange for incoming funding dollars. On the one hand it had recently closed a relevant program that was no longer attracting funds. On the other, it had started another large program, tangentially related to its mission, for which it had been awarded funds. Thus these organizations shifted away from depth or narrow focus to achieve their social missions in order to meet the interests of funders and towards breadth, numbers, and noncontroversial issues.

The second way that social enterprises altered their behavior to meet funder interests in a market logic was through a shift in language. One respondent realized that in doing her work, not only was she having an impact with regard to her stated mission, but a bi product of the work were environmental benefits. Since funders seemed more interested in environmental improvements than her organization's primary mission, she was shifting to incorporate environmental language in order to "sell" the message to a new set of donors. As one member of the organization said, "carbon savings…is one of the things we've kind of packaged into our marketing points for funders…we're trying to develop our argument more on the environmental side so we can tap that community of funders" (Org 18). Another had finessed his pitch to capitalize on what he saw as the very trendy "cradles to careers" vocabulary that currently caught donors' attention (Org 13). Two respondents chose to brand themselves as "entrepreneurs" rather than a "social entrepreneurs" when interacting with donors or investors. One of them dreamed of modeling for young people the viability of being a "social entrepreneur" as a career choice, but found the term alienated most funders. As a result, he now used "entrepreneur" in his marketing materials, online presence, and conversations with funders. The other had no interest in the term "social entrepreneur" as he found it discouraged investors.

Thus these social entrepreneurs found that donor and investor decisions were guided by financial priorities and a market logic.

Impact Investors Expect Financial Return

Respondents expressed hope that one new way to bring social mission and market logics together was through the new field of impact investing. Yet the six respondents who discussed impact investing all had been disappointed by impact investors (see Table 3). Impact investors invest in companies or organizations "with the intention to generate social and environmental impact alongside a financial return" (www.thegiin.org). In exchange for creating social return, financial return may be below market rate. Respondents saw impact investors as a new and exciting class of investors in the social enterprise field that might have helped to find ways to integrate both social mission and market logics. However, while it was an appealing concept, respondents found that when they had tried to access this funding tool, it appeared that investors were not prepared to receive a lower rate of financial return in exchange for social impact. Interest in a market rate of return trumped the creation of social impact when discussing "investment" opportunities.

Table 3: Social Enterprises Disappointed by Impact Investment.

Orgs	Quote
7, 11, 12, 15, 17, 20	"We found that when you are pitching or talking to wealthy people who might invest in you, the wallet goes away when you mention the social side" (Org 15)

Social entrepreneurs perceived that impact investors were not integrating social mission preferences into their investment decisions; rather, they separated their financial decisions into the two traditional "buckets" of investments and charity. Investment decisions were made to generate market rates of financial return. Philanthropic or charitable decisions were made to provide gifts to charities or nonprofits. According to one respondent who ran a nonprofit social enterprise, even self-identified impact investors had not yet integrated the investment and donation "sides" of their brain (Org 15).

Both nonprofit and for-profit social entrepreneur respondents shared this experience. On the one hand, a nonprofit social entrepreneur explained that he could not

persuade corporate donors to buy his product instead of donating money to his organization. On the other hand, a for-profit social entrepreneur explained that in vying for venture capital, mentioning a social mission "taints" the discussion with investors and "just predisposed them to be wary and turned off" since most venture capitalists would see social enterprise as a "more limited opportunity" (Org 20). According to these respondents, impact investing was a "sort of middle ground that doesn't really exist" (Org 17). To receive these investments social enterprises had to prioritize a market logic.

Respondents pointed to several issues that made impact investing in a social enterprise difficult to sell to investors. One barrier was the financial success of a few companies famed for their social impact that had also generated excellent financial returns. A respondent explained:

> What are the great examples would you say?...Ben & Jerry's and Seventh Generation and Stonyfield…I think the people who invested in those got returns [of] 20x or whatever the expectation was. So they're still thinking like, "Okay, you're social impact, that's great, but I ought to able to make as much money investing in you" (Org 7).

Others cited the success of environmentally-focused technology, or clean-tech, companies in particular, and high-tech companies in general as limiting investor interest in social enterprise.

The returns available in those sectors attracted the attention of impact investors who preferred their larger returns. While impact investors were a source of interest among these respondents as a potential way to integrate market and social mission logics, social entrepreneurs had found that impact investments were more ideal than a reality.

Social Entrepreneurship Gatekeeper Organizations Focus on a Market Logic

Social entrepreneurs perceived that three key stakeholder groups—customers, donors, and impact investors—compelled them to prioritize a market logic over a social mission logic in their social enterprises. In their interactions with these stakeholders, respondents perceived a need to strategically focus on price, breadth, and revenue in order to remain competitive. Social enterprise gatekeeper organizations validated these perceptions. Social entrepreneurship fellowship funding organizations and accelerators, who select from a pool of applicants those to whom they will offer training, mentoring and funding

as social entrepreneurs, as well as the prestige of being an award recipient, surprisingly reiterated what social entrepreneur respondents had expressed. Rather than focusing on balance between social mission and market logics, these gatekeeper organizations believed that social entrepreneurs needed to focus on and refine business-related elements of their organizations to be successful.

While gatekeepers did not discount the social mission logic, they tended to take it for granted. Three of the four gatekeeper respondents discussed market logic characteristics as those that differentiated successful from unsuccessful candidates; the fourth described both logics as equally important. The three main qualities on which gatekeeper organizations insisted when assessing applicants, aside from a social mission, were the financial sustainability of the social enterprise, impact assessment, and the individual entrepreneurial qualities of the social entrepreneurs.

Financial Sustainability

Social enterprise accelerators tended to praise for-profit social entrepreneurs over nonprofit entrepreneurs. They explained that for-profit social entrepreneurs understood that organizational sustainability was based on good business practices, while nonprofits did not understand the importance of revenue generation. One said:

> And when we work with non-profit social enterprises, generally, we have a very difficult…it is an uphill…sort of learning continuum to focus on a business model, generating revenue, focusing on the importance of that…And then for the for-profits, [they] are equally as committed to the mission but understand that in order to achieve mission, they need to be sustainable from a financial perspective. (G2)

Therefore, financial mentors and advisors were essential for nonprofit social enterprises because nonprofit actors were "just not thinking like a business" (G2). Learning to think like a business was key since consumer-buying decisions were generally based on quality and cost. Mentors needed to teach social entrepreneurs that mission could not be their market "differentiator" since only a small percentage of consumers made buying decisions based on conscience. Social entrepreneurs needed to learn that sustainability, replicability and scale were key and the accelerator's role was to help clarify and articulate the value proposition, metrics and impact.

Social entrepreneurship fellowship-granting organizations also focused on financial sustainability. One demanded solid business models from their fellows. She asserted that to the extent that donors did not insist on a solid business model, the nonprofit sector was "broken" (G4). Furthermore, she believed that full financial sustainability was important to social entrepreneurs because they often counted on market feedback to provide validation of their impact, for example, in the form of "I know I'm providing value because the client is willing to pay me" rather than because the beneficiary was benefitting (G4).

The second fellowship funder explained that since they only selected fellows who had already demonstrated significant success it did not need to focus on business development, though both impact and financial sustainability were key in their assessment of candidates. While working with an applicant on their social mission, they looked for two indicators of financial sustainability:

> One is diversity of funding. So, is this person getting all of their money from one place, is it their own money, is it somebody else's money, is it all government, how restricted is it, so that we can understand how much room are they leaving themselves to, if one [funding] partner goes away, to bounce back from that. So that's one thing. The other is growth. So, what has been their trajectory over the last couple of years? (G3).

A history of thinking strategically around revenue generation was necessary to being considered for this fellowship.

One respondent summed up the gatekeeper perspective succinctly when she said, "I think we're moving away from this business-is-evil, non-profit-is-good sort of dichotomy" (G2). Gatekeepers expected solid business models and strong financial performance from their applicants regardless of legal status. The result was that they emphasized a market logic in candidate selection and mentoring.

Impact and Impact Assessment

For gatekeeper organizations, the idea of impact was interwoven with the idea of sustainability, as demonstrating impact was seen as a way to increase revenue generation. As one respondent asserted, "An idea without impact is not useful" (G3), since funding and survival was contingent on demonstrating impact. To ensure impact, they demanded

the implementation of impact assessment. Using metrics, social enterprises should be able to track and demonstrate impact to create a solid track record of accountability. In the applicant selection process, gatekeepers consistently asked, "What are your metrics? How are you measuring yourself?" to assess a candidate's viability (G2). Metrics needed to be transparent and quantifiable.

Funders claimed that success did not mean quantity over quality. For example, they stated that working with fewer beneficiaries but transforming them more deeply was preferred over superficially serving a larger population. However, gatekeepers also returned to the concept of scaling repeatedly. Scaling, in other words growth in revenue and reach, was also seen as an important goal and an enterprise's past growth or potential to grow was used as an indicator of success. Thus quantity was not unimportant and social entrepreneurs were expected to adapt if they were not achieving a broad reach. "Social entrepreneurs should be willing to be flexible in their means depending on if their metrics show that they're achieving their goals and if not, they should change their means" (G4). Gatekeepers asserted this was not only important to fellowship grantors but also key to an organization's future ability to attract other capital. Thus while social mission was not unimportant, an emphasis on impact assessment and scale represented a market logic focus on strategy, productivity, measurement and quantification, growth and revenue generation.

Entrepreneurial Ability

Like the focus on an organization's ability to be business-like, gatekeeper organizations focused on an individual's ability to be entrepreneurial by being "data-driven, mission-driven and highly adaptive" (G4). In particular, these organizations highlighted social entrepreneurs' ability to be flexible. They did not want leaders "who [we]re so gung-ho about their idea that they [we]re not willing to be adaptive…A true entrepreneur eats up feedback, incorporates, adapts, appreciates, realizes that this is a learning experience, I would say that that's one of the characteristics that we look for now" (G2). This ability to be adaptive was not related to mission, on which entrepreneurs were expected to execute tunnel vision, but on the means used to attain the vision. Gatekeepers explained that entrepreneurs should be willing to challenge their own assumptions, and be open to

challenge by others, on the best way to achieve their social mission. One respondent said "often fellows or candidates will tell us that 'you pushed me to think about my work differently, or to think about my impact in a much broader sense'" (G3). If the way they were going about achieving social impact was less effective than another means, they should be willing to pivot in order to achieve the most mission best and most effectively.

An entrepreneurial nature did not necessarily undermine the importance of social mission achievement. And gatekeepers also highlighted valuable individual abilities that they sought, such as courage, vision, and self-reflection. But gatekeepers' intense focus on the individual over the target population, and on the creative and reactive abilities of the entrepreneur rather than public participation in solutions, contributed to underlining the dominance of the market logic in which individuality, and production and consumption were valued over solidarity or inclusion.

Refusing to Prioritize a Market Logic

Two respondents (Org 3 and Org 10) offered a contrast to the majority of respondents by refusing to acquiesce to stakeholder pressures to prioritize a market logic. They remained focused on their social mission.

The first, who founded and ran a small nonprofit social enterprise that worked to address food insecurity, not only prioritized a social mission logic but spoke about it almost to the exclusion of revenue generation or business strategy (Org 3). Her tunnel vision centered on beneficiaries, discussing the problems they faced and her solutions. When first starting out, she had been surprised that when she approached others in the field their first questions to her had been about current and potential funders. Rather than responding, she would leave. She said, "I was talking about feeding people. I thought that was the conversation we were going to have. That wasn't the conversation that was available to me. So I disengaged, walked away from that." Similarly, she discussed how difficult it had been to initiate contact with donors. She had expected to be awarded grants due to the pressing nature of the problem. When donors refused her, she would thank them and leave rather than engaging further.

Furthermore, she found that audiences were more interested in her entrepreneurial skills than the social problem. However, sharing stories of her personal experience frustrated her. She said,

> I'm having a little bit of fatigue talking how awesome it is to be an entrepreneur…Am I a social entrepreneur? Are we social innovators, visionaries? Blah blah blah blah blah. It's that [the local food shelter] relies on our food! About forty other partners rely on our food!"

The social enterprise was small, and as she described, they had raised a small sum. Yet she went on to detail the thousands of pounds of food they have redistributed. The social enterprise survived by finding stakeholders who supported her mission and engaged with her by discussing solutions rather than business strategy. In particular, she aligned with allies who were cheerleaders, including powerful local actors. The mayor was a supporter, as were key players in related local organizations and celebrity chefs. She found additional resources by entering non-profit competitions. She got stories about her organization's mission in the local press, and networking led to international speaking engagements and meetings with UN officials. This social entrepreneur continued to operate on a shoestring while she discussed the social issue widely, only engaging with those who focused on the social mission.

The second respondent refused the push toward a market logic by strategically attracting donors, adeptly marketing his cause and accepting only unrestricted donations (Org 10). He operated a gym for gang members and provided national certification in personal training. One way that he marketed his mission was to create high levels of interaction between his beneficiaries and funders. If a donor was interested in the organization, he first had them come to the gym and receive one-on-one personal training from a gym member. As the respondent explained, having a "platform where everyone can kind of come together and see [our work] alleviates the scariness that might happen on paper." This consistent interaction between potential funders and beneficiaries allowed potential funders to experience role reversal, when the beneficiary became the expert and teacher. The respondent described his approach as follows:

> It works because we've got this setup where people can come in and see our students and actually become directly impacted…So people leave with a great workout and they directly impact a young person's life and they start to get to

know this young person as the person they are, not the decisions that they might have made in the past…You know, our goal is to get [every foundation] in here even before we ask for money or apply just so they see the program…It's what allows us to stay very true to who we are because it's so interactive. It's not theoretical.

This social entrepreneur's interactions with funders were guided by the characteristics of a social mission logic.

A second way that he refused market logic dominance was to accept only unrestricted donations. After one challenging experience when a restricted government grant led to some difficult choices, he no longer accepted conditional funding. (The grant had mandated that participants be dropped from the program should they be absent; the social entrepreneur believed that fulltime attendance was unrealistic for this population.) He found that unrestricted funding was forthcoming once donors had engaged with students in his enterprise and experienced how well the current model worked. As a fellow social entrepreneur commented, he was a brilliant strategist and marketer, drawing funders to contribute to his cause without compromising his social mission.

Transitioning Legal Structure and the Unknown Effect on Logic Prioritization

Two cases were anomalies in that they had been founded as for-profit social enterprises but had recently transitioned to another legal structure. One became a partnership between a for-profit and a nonprofit; the other became the revenue-generating social enterprise of a parent nonprofit. Both respondents explained that as for-profit entities, they did not generate enough revenue to cover costs and maintain the desired service provision for beneficiaries. These two social enterprises therefore altered their organizational structure rather than adjusting price structures, product offerings or marketing campaigns. Creating a nonprofit partner or parent allowed the enterprise to increase funding by fundraising from granting agencies and/or to uncouple service provision from product sales. Whether the social entrepreneurs did not or could not conform to the market logic required by a for-profit model, and whether their experience with funders will be dominated by one or both logics, is beyond the scope of this article (c.f. Woodside, 2015).

Discussion and Implications

This study of twenty social entrepreneurs and four gatekeeper organizations found that despite the fundamental importance of both market and social mission institutional logics to social enterprise, key stakeholders are resistant to this hybridity. Institutional logics create "standard modes of operating" that allow people to predict the behavior of, and within, an organization. A social mission logic drives an organization to work towards social change, whereas a market logic drives towards economic growth, profit, and competition (Alford and Friedland, 1985; Friedland and Alford, 1991; Boltanski and Thevenot, 1991; Thornton and Ocacio, 2008). On paper, for example in organizational mission statements, social enterprises may appear to balance two logics (Moss et al, 2010). However, this research suggests that social enterprises are prevented from combining these logics easily because they perceive that the stakeholders with whom they interact look for and reward a focus on market logic priorities.

Therefore, one contribution of this research is to question whether traditional organizational stakeholders really accept the hybrid nature of social enterprises. While social entrepreneurship literature describes social enterprises as embodying both market and social mission logics (e.g. Boschee, 2001; Dacin et al, 2011; Doherty et al, 2014; Dorado, 2006; Thompson and Doherty, 2006; Tracey and Phillips, 2007; Vega and Kidwell, 2007), the evidence here describes how social entrepreneurs perceived that their stakeholders resisted this hybridity, and instead placed a focus on market logic considerations. Customers and clients demanded low prices, donors demanded quantification and impact measurement, and investors expected market rate financial return. Given this stakeholder resistance to dual logics and emphasis on a market logic (Newth and Woods, 2014), the new organizational paradigm embodied by social enterprises seems unsupported. Their offer of financial, material and expert resources in exchange for a focus on market priorities suggests the legitimacy of the field is not yet established. Stakeholders do not seem to have reshaped their view of organizations to include social-business logic hybridity as legitimate; neither as an acceptable or ideologically appropriate way of goal-setting (manifestations of cognitive and moral , nor do they anticipate acceptable levels of value being created (practical legitimacy) (Newth and Woods, 2014; Suchman, 1995).

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Hybrid-specific stakeholders also emphasized a market logic. Social entrepreneurship fellowship granting organizations and accelerators shape who "gets in to the club," who gets rewarded, and who gets connected to specialist networks and large pots of money (Bloom, 2012; Dees and Anderson, 2006; Joos and Leaman, 2014; Schatz, 2015). Impact investors were expected to integrate the logics of market and social mission by providing financial investment to support the generation of both financial and social return on investment (Bugg-Levine and Emerson, 2011; Hochstadter and Scheck, 2014; Moore et al, 2012). This research showed that gatekeepers were very much focused on market logic characteristics of organizational sustainability, scale, entrepreneurial ability and quantification, pushing the field toward market logic modes of operating. Furthermore, theoretically committed to supporting ventures that create social as well as financial impact, impact investors regardless expected market rate return on investment. This left social entrepreneurs either cynical or confused about the utility of impact investing as a financing tool for social enterprise.

The second contribution of this study is to demonstrate that social entrepreneurs generally responded to stakeholder resistance to hybridity by acquiescing to pressure to emphasize a market logic. Counter to current literature that suggests social entrepreneurs should problem-solve to avoid single logic dominance, social entrepreneurs described their actions as dominated by market logic considerations; they allowed price, value, business strategy, competition, and measurement to shape their interactions with customers and funders. As well, those respondents who discussed impact investors appeared baffled by their resistance and generally avoided them. In the two cases that refused to emphasize a market logic, they chose to focus on their social mission, either avoiding funders who expected conversations related to a market logic or carefully selecting those who would fund their social mission unconditionally. Thus, even these two cases did not respond by reinforcing their hybrid nature but by a retrenchment into a single logic.

In considering these first two contributions, this study serves to question whether social enterprises are as inherently hybrid as current literature assumes. When organizational hybridity is investigated in terms of how it is enacted in the every day interactions and expectations of its stakeholders, rather than how it is written into the

framework of the organization—in a mission statement or business model, for example—it appears that social entrepreneurs perceive most stakeholders as agents of a market logic and social entrepreneurs respond in kind.

Privileging a market logic over a social mission logic is not inherently bad. As gatekeepers, funders, and social entrepreneurs themselves point out, revenue is entwined with social mission achievement. Social enterprises require resources to survive, which is necessary for keeping the good work going. And even more money is required to enable an organization to grow or scale, which is necessary for reaching more people or supporting more impactful systemic transformation. However, generating income to support a social mission does not necessarily equate with a deep commitment to that social mission nor does it ensure that the social mission is robust or enacted with integrity. Social entrepreneurs who prioritize social mission in their interactions with stakeholders discuss the importance of integrity, genuineness, and laser focus on social mission, sometimes at the expense of funding. These qualities of the social mission logic may be lost easily when a social entrepreneur emphasizes a market logic in interactions and relationships with stakeholders.

If gatekeeper organizations that control funding or advise social entrepreneurs insist on the need to focus on business practices, there are risks for the field. Gatekeepers may push the field towards one that prioritizes a market logic by focusing on these skills in the participants they select to become field leaders. Or, social enterprises may increasingly develop their business-like nature, de-emphasizing their social mission, in order to gain the recognition of gatekeeper organizations. Furthermore, a rigorous focus on measurement as the means to gauge impact may actually contribute to the increase of market behaviors of commercialization and quantification at the expense of the social mission logic as social entrepreneurs try to find the numbers to demonstrate success easily. Continued work to educate impact investors and to legitimate qualitative impact assessment would help protect the integrity of the field. Otherwise, the risk is that the social mission logic will be subsumed by the market logic and that social enterprises will compromise their social objectives to suit funders' funding priorities.

Finally, a focus on problem solving in the literature suggests that if the challenges experienced by social entrepreneurs are analyzed and diagnosed properly, the social

entrepreneur can solve them. Social entrepreneurs should reform their operations to ensure better outcomes. However, this conclusion returns the field of social entrepreneurship literature back to its origins in the heroic individual, from which it has worked so hard to move forward. To propose solutions such as proper hiring policies (Battilana and Dorado, 2010) or reframing of the nature of the endeavor (Pache, 2012) is not unhelpful, but it does suggest that it is incumbent on social entrepreneurs to fix the problems they encounter. If they work hard and smart enough, they will succeed. However, for a new field and the organizations within it to be established successfully, will, determination and persistence are insufficient. Equally crucial is the buy-in and support of all stakeholders that make up its functioning and continuation. Thus a focus on what the individual social entrepreneur should or should not do to be successful is one response to the challenges encountered within the field of social entrepreneurship, but paying attention to the full range of actors, their commitment and resistance, is equally important to interpreting whether the field has gained widespread acceptance.

Future Research and Practical Implications

Social entrepreneurship is not the first new field to emerge. Understanding the experience within other emergent fields in relation to stakeholder resistance and buy in would provide insights for the field of social entrepreneurship. As such, scholars in social entrepreneurship have much to gain by investigating the similarities, differences, and lessons learned from the establishment of fields such as equal opportunity (Dobbin, 2009), HIV treatment (Maguire et al, 2004), corporate environmentalism (Hoffman, 1999) and the science of chaos (Gleick, 1987). Insights derived from delving into how key actors in these fields negotiated the demands of stakeholders that provide financial resources would be particularly relevant. From a practical perspective, research on how social entrepreneurs can keep beneficiaries forefront consistently in order to maintain the ethical nature of the endeavor (Chell et al, 2014; Waddock and Steckler, 2014) could provide useful tools to practitioners. Otherwise, the ethical underpinnings of social entrepreneurship—the betterment of marginalized groups in society—may be being sacrificed to commercial interests that social entrepreneurs work to satisfy funders, investors and consumers.

Second, further research is necessary on social enterprise gatekeepers and how they are impacting the field. Practically-speaking, gatekeeper organizations should not assume that a social enterprise's social mission is flourishing, since lack of attention may lead to the mission being implied but not enacted. Battilana and Dorado's (2012) case study of two microfinance banks suggested that hiring staff without backgrounds in either corporate or nonprofit environments—who come "tabula rasa"—may be useful in socializing them into an organizational culture that perpetuates a balanced approach to mission and profit. However, many of the organizations in this study are small and not hiring. Thus research on how gatekeepers can help social enterprises work with the people and resources they already have, helping them learn to balance funder and beneficiary needs is important. Given that achieving a social objective is at least in part what motivates social entrepreneurs (Bacq et al, 2014; Miller et al, 2012; Waddock and Steckler, 2014; Zahra et al, 2009), losing focus on this mission might contribute to the failure of social enterprises.

Third, both descriptive and normative research is needed on impact investors. Further assessment of what factors do and could motivate their investment in social value creation would lend insight into this stakeholder group and how social entrepreneurs can leverage their assets for social mission achievement. Research on whether the financial success of a few social enterprises (such as Ben & Jerry's and Seventh Generation) has narrowed the focus on impact investing and what incentives might broaden their focus could provide useful feedback to the field. Practically, there is an ongoing need to develop a funding class that understands the dual logics of social enterprises. Gatekeeper organizations may want to focus on educating the impact investor class on social investment as much as educating the social entrepreneur on business savvy.

Limitations

This research selected respondents from among social entrepreneurship fellowship award recipients and accelerator approved participants. As a result, this is not intended to be a representative sample. For example, gatekeeper organizations' focus on business acumen may have led them to crown a group of social entrepreneurs who demonstrated a proclivity to privilege a market logic. Or since award winners generally have been

established long enough to demonstrate some impact, they may feel that they have already accomplished the task of embedding their social mission into their enterprise and are now focused on business strategy. While gatekeepers and their successful applicants may disproportionately shape the field, focusing on them also limits generalizability. As well, this was a small sample of respondents who are US-based and US-focused. Social enterprises cannot be divorced from the communities in which they are embedded (Bacq and Janssen, 2011; Peredo and Chrisman, 2006; Seelos et al, 2011). Research should be conducted among a larger group of respondents, including non-award winners, and social enterprises based in and focused on different regions of the world, to assess the generalizability of these findings. Finally, this is a qualitative study exploring social entrepreneurs' perceptions of their interactions and dominant logics. A quantitative analysis that tried to measure the enactment of mission and market logic behaviors would provide a compliment to these findings.

Conclusion

Current literature on social enterprises describes them as hybrid organizations, bringing together market and social mission institutional logics in theory and practice. This research suggests that social entrepreneurs frequently find that their dominant stakeholders resist this hybridity and emphasize market logic priorities. A market logic emphasizes profit, competition and business strategy and identifies relationships between stakeholders as commercial and strategic. A social mission logic prioritizes participation, solidarity and social justice and understands relationships between stakeholders as inclusive and needs fulfilling. More than three quarters of the social entrepreneur respondents in this study described a market logic dominating their interactions with stakeholders. Therefore, this study offers three contributions to research on social enterprise. First, it questions the taken-for-granted hybrid nature of social enterprises. Since social entrepreneurs described stakeholder expectations, and their own responses, as dominated by market logic considerations, a consistent focus on a robust social mission may be at risk. Second, it suggests that stakeholders have not yet afforded legitimacy to the field of social entrepreneurship. Third, the study also revealed that social enterprise gatekeeper organizations (fellowship-granting organizations and

accelerators) are focused on developing the business acumen of social entrepreneurs and market logic characteristics of social enterprises, and that social entrepreneurs find that impact investors expect market rate return on investment. When stakeholders who control financial resources prioritize market logic over a social mission logic, social enterprises may find their standard mode of operating dominated by this market logic.

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CONCLUSION

"*Social Mission or Revenue Generation? Challenges and Opportunities in Social Enterprise from Competing Institutional Logics*" investigates the tensions and tough choices social enterprises face in delivering their solutions due to their dual institutional logics of social mission achievement and revenue generation. On the one hand, social enterprises may be a new and effective approach to addressing "wicked" social problems plaguing the 21st century (cf Bornstein 2004; Drayton 2006; Elkington and Hartigan 2008). On the other hand, critics wonder whether managing both financial and social mission imperatives inevitably leads to the sacrifice of social value creation (cf Cho 2006; Edwards 2010; Farmer 2009; Ramdas 2011). As one blogger posted in reaction to the exclusive Oxford-based Skoll-funded annual social entrepreneurship forum, it is "Beginning to feel like a self-congratulatory gathering of big foundation-backed elite. That's how capital and power works" (Liam 2007). My research aimed to provide nuance to this discussion by illuminating why using business methods to solve social problems either might create challenges for social enterprises or might help social enterprises survive and achieve their social mission.

This dissertation is comprised of three articles. "*Social Entrepreneurs at the Crossroads: Four Approaches to Responding to Dual Institutional Logics*" analyzes individual social entrepreneurs and their motivations, deriving four categories of social entrepreneur. "*One Size Does Not Fit All: Legal Form and US WISEs*" analyzes work integration social enterprises (WISEs) and the importance of aligning logic priority and legal form. "*Stakeholder Resistance to Social Enterprise Hybridity*" analyzes the resistance from customers, investors, donors and gatekeepers to prioritizing both market and social mission logics. While each of the three articles approaches the research

questions from a different level of analysis, four common themes emerge. First, in general, social entrepreneurs do not wrestle with tensions between their social mission and revenue goals. Second, the market logic often dominates the social mission logic. Third, while there are many similarities and differences between social enterprises, they can be divided generally into two categories: nonprofits and for-profits. Finally, while the outliers in each article are different cases, what unites them is a common focus on maintaining a robust social mission despite forces pushing toward market logic dominance.

The "Absence" of Tensions

The intention guiding this research was to understand whether social entrepreneurs perceived tensions between social mission and market logics and if so, how they managed these tensions. To my surprise and contrary to my hypothesis, the majority of the social entrepreneurs I interviewed did not see tensions between the two logics. In "*Social Entrepreneurs at the Crossroads,*" half of individual social entrepreneurs did not perceive tensions, and another quarter did not respond to the tensions they did perceive. Rather, individual social entrepreneurs approached their social entrepreneurship career with a particular mindset already established. Social entrepreneurs fell into four categories based on their motivations. In three of these categories, their motivation predisposed them to act via a single logic: either from a social mission or market perspective. They were Disillusioned Dreamers disappointed with the nonprofit industry, Social Capitalists who believed in the potential of capitalism for increased social justice, and Do-Somethings who advocated immediate and constant action on a social issue. Their experiences were filtered through their motivation, and as a result they approached their work either as a series of business decisions or beneficiary-oriented actions. What others might perceive as a tension—for example, "do I pay the veterans sewing our product less to save money"—they saw either as a business decision—"we hope to save on labor costs by paying workers less"—or a social mission mandate—"we need to ensure our veterans are making a living wage with benefits." Only Bridgebuilders, committed to bringing market and social mission actors together, continually wrestled with the tensions they perceived between logics.

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Likewise, "*Legal Form and US WISEs*" demonstrated that social enterprises were established using the legal form that best aligned with their founder's initial mindset. This legal form correlated with the logic prioritized in operations. For-profit WISEs embodied a market logic and issues were viewed as business decisions. Nonprofit WISEs encompassed a social mission logic and issues were viewed through a social mission lens. Therefore, a question such as "do we hire the most needy or the most able individuals to our program" was not seen as a tension but as a process question with a clear answer (for-profit answered "most able;" nonprofits answered "most needy"). Finally, in "*Stakeholder Resistance to Social Enterprise Hybridity,*" social entrepreneurs did perceive that at a systems level stakeholders resisted dual logics and tended to embody market logic preferences such as low costs or quantification of impact. This resistance did lead to a sense of frustration among many social entrepreneurs but not to a sense of tension. Rather they tended to comply by focusing on price and value for customers, quantification and breadth for donors, and avoid impact investors altogether.

This is not to say that tensions did not exist from a theoretical perspective. Whom to hire (an "organizing" tension), how to define success (a "performing" tension), and with which partners to ally (a "belonging" tension) (Smith, Gonin and Besharov 2013) were all choices that social entrepreneurs had to make, and social mission and market logic perspectives determined the "correct answer" differently. Yet social entrepreneurs did not generally perceive these as difficult choices that caused conflict or resulted in trade-offs. Rather, they approached their work with a dominant logic, or mental filter, that provided clear answers when choices or decisions arose—or obviated the question altogether by making these decisions de facto components of a business strategy.

Market Logic Dominance

The second theme that ran through the three articles was the pervasiveness of the market logic in daily operations. Certainly the social enterprises all had social missions around which they were founded related to poverty alleviation and economic development for marginalized populations. However, in terms of questions about where to focus time and energy and how to satisfy the broad array of stakeholders necessary for

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organizational survival, the market logic components of customer satisfaction, salesmanship, sales cycles, and revenue dominated social mission thinking.

The enactment of market logic thinking did manifest differently depending on organizational form. Within for-profit social enterprises, social entrepreneurs focused on customer satisfaction through low price and high value above all. In nonprofits, the dominance of market logic thinking related to the privatization of the social services (Dunleavy & Hood 1994). Rather than focus on price, marketing or sales as for-profits did, a market logic dominance in nonprofits was manifest in the constant pressure to quantify impact with a focus on breadth. Funders wanted high numbers of people served with clear indicators of success, they wanted their dollars invested in programs rather than operations (such as staff or infrastructure), and they wanted nonprofits to demonstrate attempts to diversity funding. (The exceptions were nonprofit social enterprise programs, discussed below.) Hybrid organizations that combined separate for-profit and nonprofit organizations were subject to a market logic "double whammy." Their for-profit operations required a focus on price and value while their nonprofit operations necessitated quantification. Finally, the gatekeeper organizations interviewed for this research also emphasized market logic thinking, prioritizing efficiency, scalability, impact measurement—and innovation if it was sustainable.

Nonprofit social enterprise programs, standalone revenue generating programs within larger traditional nonprofits, were the form of social enterprise most protected from market pressures. One example was a social enterprise program run by a ten-year old state-wide nonprofit with multiple programs to help several marginalized populations. Its social enterprise was a job-training program to teach juvenile offenders to work in restaurant kitchens. Participants created jam and pickled vegetables that they then sold at markets and to state institutions. The program had its own staff to run the operation. It also generated revenue through product sales. However, it was not under pressure to be self-sustaining, as the parent nonprofit wrote program grants and allocated funds to program costs. The parent nonprofit also addressed problems that necessitated additional resources (e.g., cost of new materials, costs of expanding, staff help with IT or PR, etc.). There are risks to this model: it is at the mercy of its parent nonprofit for funding which could be cut at any time, social enterprise decision-making could be overridden by parent

nonprofit executives, and social enterprise profit and loss can be hard to determine due to accounting that muddies the barriers between the social enterprise and its parent. Yet these social enterprises felt the most protected from the whims of the market, the fickle or punitive nature of donors, and the most supported in their social mission goals. As one social entrepreneur said, he wished he had a large nonprofit to house him. Such a structure, he believed, would protect him from the dictates of the market logic thinking that dominated his social enterprise.

Nonprofit/For-Profit Fissure

The field of social entrepreneurship is generally accepted as a broad one encompassing organizations of any legal form that use business methods for social change (Dees 2007; Kerlin 2006; Light 2005; Martin and Osberg 2007; Neck, Brush, and Allen 2009; Nicholls and Cho 2006). However, in this research often it was a struggle to see the field as a unified one. Certainly some commonalities were apparent across cases. For example, the social entrepreneurs had social missions central to their founding based on disillusionment with current regimes—either traditional nonprofits or business-as-usual. And founders expressed a reverence for "business strategy," whether that meant one hundred percent of income derived from sales, bootstrapping and iteration following lean startup culture, or nonprofit efficiency and scaling. However, apart from the ideal of finding meaning by helping others and pro-business vocabulary, the split between for-profit and nonprofit social enterprises was striking. It often seemed significant enough to lead to existential questions about the nature of the social enterprise field. For-profit social enterprises tended to have for-profit problems, and nonprofit social enterprises nonprofit problems.

The motivations to become a social entrepreneur, as discussed in "*Social Entrepreneurs at the Crossroads,*" differed sharply between individuals who founded for-profits and nonprofits. Those disillusioned with the traditional nonprofit industry who wanted to "get their hands dirty" by acting immediately on a social problem founded nonprofits. Those who believed that capitalism was a source of social justice that just needed tweaking, refinement or better ethics founded for-profits. Once founded, nonprofit and for-profit social enterprises dealt with contrasting sets of priorities and

challenges. For-profits focused on customer satisfaction, breaking even, and making a profit. For them, ethical supply-chains and pro-social hiring policies often embodied their social mission success. Nonprofits focused on reaching broad populations, program accessibility, donor satisfaction, and holistic outcomes for beneficiaries that included work, personal, and educational enhancement. For them, social mission success was evidenced by outcomes such as work for marginalized populations or donor renewal, or the provision of wraparound services to marginalized populations.

This fissure between nonprofit and for-profit antecedents, processes, and outcomes made for interesting compare-and-contrast opportunities, but also risked repetitiveness of the theme that nonprofit and for-profit social enterprises differ. Ultimately it led to questions around the integrity and legitimacy of the "big tent" definition of social entrepreneurship and future research opportunities around "who counts."

Outliers as Different Eggs in a Social Mission Basket

Each of the three articles focused on a different level of analysis, which elicited different topics of importance. While each article depicted comprehensive spectrums that derived from the cases, each paper also contained outliers and special categories. The first striking characteristic of these outliers was that they contained no overlap. The special cases in the first paper were those four "Bridgebuilder" social entrepreneurs who resisted the dominance of one logic. They were committed to connecting the social mission and market spheres in the service of uncovering synergies between the two. In the second article, the two outlier organizations were those that had transitioned from for-profit legal form to nonprofit or for-profit/nonprofit hybrid when they determined their business model could not support their social mission. The third paper had two outlier organizations, the two that resisted stakeholder pressure to attend to the market logic demands of their funders. No single case was an outlier in more than one article. These eight cases also split over their approach to dual logics. The four Bridgebuilders tried to comply with market logic demands in order to build bridges while the other four resisted market logic pressures.

Despite the fact that no case was an outlier at more than one level of analysis, the eight outliers shared two commonalities. All eight demonstrated a robust, "industrial-strength" focus on social mission. The four Bridgebuilders were deeply committed to their missions of helping marginalized populations by bringing together market and social mission actors despite the logic tensions they perceived and with which they wrestled. The two transitioning organizations "re-formulated" themselves from for-profit to nonprofit or hybrid so that they could maintain their wraparound service provision alongside job training and placement. The two outliers in the last article refused stakeholder pressures to focus on funding or compromise their missions. These eight social enterprises found a way to hold their social missions equal or primary to business strategy and market pressure. Second, alongside their intent focus on a robust social mission, all eight were also nonprofit organizations. The commonalities among these eight cases suggest that prioritizing a social mission logic makes a case stand out from the norm and requires special commitment, but that the easiest or most effective way of doing so is through the nonprofit legal form.

Practical Implications

Advice for Social Entrepreneurs

While this dissertation investigated tensions between a social mission and a market logic, it is not necessarily better to perceive tensions. If it is possible to achieve social impact as a for-profit and operate without being distracted by tensions, this may be a viable path forward. The work may be easier to navigate if the path looks clear. Constant debate on how to move forward may just sidetrack practitioners. If practitioners do experience high levels of tensions, one question they might ask themselves is whether the social mission and legal form are aligned. This research demonstrated the importance of alignment between organizational form and function as one approach to reducing tensions and working toward goal achievement.

However, there are challenges that will result regardless. For example, it can be difficult to maintain a robust mission as a for-profit. Market logic considerations may cause mission drift. This research suggested that those social entrepreneurs with the broadest missions who do best are nonprofits with the right funders. This is not to say

there is an abundance of nonprofit funding available. Several nonprofit social enterprises in this sample had set up or were in the process of setting up earned income streams of revenue with the hope of increasing the overall funding available to them given resource constraints. However, the evidence in this study showed that working to bridge logics correlated with the most robust demonstration of social entrepreneurship, in particular in the form of the Bridgebuilder archetype. Bridgebuilders bring the logics of social mission and money together, especially by engaging logic actors, not just ideas. Bridgebuilders focus on connecting to market actors as well as social mission actors.

Yet, it was notable that none of the Bridgebuilders had founded a for-profit company. As well, the social entrepreneurs in "*Legal Form and US WISEs*" who established for-profits could not stay for-profit and survive if they wished to achieve robust social mission of job training and wraparound services. Therefore, the prescription that emerges from this research—which requires further research and testing given the limited sample—is to engage multiple logic stakeholders, not just multiple methods, on a social issue in nonprofit form. The most protected of all nonprofit forms is the nonprofit social enterprise program, in which the social entrepreneur has freedom to be innovative but the resources of a parent nonprofit as protection.

Advice for Gatekeeper Organizations

This research suggests that there is a difference between social business, or "business-unusual," and social enterprise. While social business is exciting in its promotion of ethical capitalism, it is different than social enterprise that addresses a social mission as significantly as it does revenue. However, one major fellowship funding organization had half of its applicants proposing or running for-profits in 2015 (Echoing Green, in Schatz 2016). A gatekeeper respondent noted that hiring trends at gatekeeping organizations are shifting from a preference for candidates with social sector backgrounds to those with MBAs. However, gatekeepers might benefit the social mission aims of the field more profoundly if they focused on nonprofit social entrepreneurs, bridgebuilding techniques, and educating nonprofit funders (rather than the seemingly market-oriented impact investor class) on the benefits of social enterprise.

Advice for Researchers:

If the definition of social entrepreneurship is creating pathways to positive social change using business methods, it may be worth consciously and consistently dividing the research on social enterprise into two broad themes: Innovative Nonprofits and Social Business. The answers to questions about how to be effective with regard to people, processes and inputs/outcomes in each of these two categories are consistently different depending on legal form. Nonprofit social entrepreneurs need to enhance their abilities to do more while resisting the constraints of donors. For-profit social entrepreneurs need to explore how they can continue to shift customer and investor mentality around bearing the cost of social value creation. There will be some overlap; for example, nonprofits that wish to establish earned income streams need to apply business tenets. However, overall it may be beneficial to distinguish between these two legal forms and create two streams of research that address separately the questions most relevant to each organizational configuration.

Secondly, it is also worth approaching the field from an interdisciplinary perspective. While institutional theory unites sociological and management literatures, there are gaps in each discipline to which the other discipline speaks in relation to social entrepreneurship. Broadly speaking, in business and entrepreneurship literature, social entrepreneurship has generated great excitement and is approached with hope about its potential to create significant social change. In sociology literature, much less research exists, perhaps because social entrepreneurship is construed as an approach to social change co-opted by business interests. Admittedly, it was a challenge to work at the intersection of these two disciplines. On the one hand, there was little acceptance of critique within the business and entrepreneurship literature, and on the other, little curiosity from within sociology. At times it seemed as challenging to work at the intersection of literatures as social entrepreneurs experienced at the intersection of logics. However, each discipline has useful bodies of knowledge that shed light on important questions related to social entrepreneurship if the field continues to want to understand the convergence of "the social" and "the enterprise."

Advice to Self

So should I stay involved in the field of social entrepreneurship as a researcher, educator, or practitioner? I believe its main value is in the attractiveness of the term to socially conscious actors, especially young people. The youth at the two conferences mentioned in the dissertation's introduction were excited to get going. The social entrepreneurs I interviewed want change from the status quo of business and the nonprofit industry, and the rapid growth of the social entrepreneurship field proves its appeal. It is terrific that social enterprise gets people excited about ethical trends. Even if I see social business as having constraints that other forms of social action do not, it is not inconsequential or unworthy. Making social justice of any breadth a viable career option, especially for business school students who are so compellingly recruited by consulting firms and banks, is a worthy pursuit.

There are downsides to contributing to the growth of the field of social entrepreneurship. One is continued disunity around social change. Social entrepreneurship promotes the individualism of the entrepreneur, which fragments action toward social justice. One result is masses of individuals doing different things in isolation when together they might form a large social movement. Another is a lack of transformational impact. After researching this topic for several years it is not clear to me that social entrepreneurship truly questions the structures of injustice. This does not discount the steps of courage and compassion that social entrepreneurs take, and some social entrepreneurs do question oppressive systems, but social entrepreneurs often work within proven structures rather than confronting them. Because using business methods often requires attaining the resources of business and power elites through financial transactions, it is difficult to challenge the structures that privilege them.

That said, as a launching point, a space that has gathered excitement and generates discussion around the "who" and "how" of social justice, as a place to start rather than to end, it is a topic worth study and engagement.

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